Annual report quiz answers & winners — Page 23
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Gladson: keeping customers happy — Page 34

DRUG STORE NEWS

Vol. 10/No. 13 **Our 60th year of serving chains, wholesalers and high-volume independents** Published by Lebhar-Friedman Inc. June 20, 1988

Carls DRUGS
WE ARE NOW ACCEPTING APPLICATIONS FOR EMPLOYMENT.
APPLY WITH STORE MANAGER.
PART-TIME POSITIONS AVAILABLE
Equal Opportunity Employer
We Are Now Accepting Applications for the Position of Full-time Receiving Clerk

A Carls Drugs store in Rome, N.Y., displays two window signs announcing job openings, for part-time help and a full-time receiving clerk. Signs such as these are the rule rather than the exception at drug chains in many parts of the country.

The labor crunch

Across the nation, drug chains, especially in areas of low unemployment, are facing a labor shortage problem of major proportions. Where walk-in jobseekers were once plentiful, the response to help-wanted ads and signs in store windows has slowed to a trickle.

Beginning on page 49, *Drug Store News* describes the scope of the problem, some reasons behind it, and how chains are coping, from stepping up traditional recruiting efforts to seeking alternative sources of labor to trying some ingenious new recruiting methods.

Malone & Hyde's drug unit in limbo after Fleming buy

By David Vaczek

MEMPHIS — Fleming Co.'s purchase of Malone & Hyde could spark a leveraged buyout by management of the M&H drug business, industry sources told *Drug Store News*.

A buyout is one possibility, the sources said, as Fleming—which is now the country's largest food wholesaler—was evaluating the M&H businesses it has acquired for $225 million in cash and the assumption of $375 million in debt.

Drug division management possibly would buy the 101

See **Fleming,** *page 8*

SuperD
DRUG STORE
DISCOUNT PRESCRIPTIONS

Will SuperD be spun off in an LBO?

Management-led investor group makes a $330 million bid for Alco

VALLEY FORGE, Pa. — A management-led investor group has made a $26-per-share, or $330.2 million, offer for Alco Health Services, Alco announced.

Kohlberg & Co. organized the group, Cola Acquisition Inc., whose members weren't identified. Alco referred all questions to its lawyers, Schnader, Harrison, Segal and Lewis.

Jeffrey Schulte, a partner in the business department of the law firm, said there has been no filing with the Securities and Exchange Commission yet. He added that the proposal has neither been accepted nor rejected but that there has been some discussion of terms and exploration

See **Alco,** *page 8*

NACDS Marketplace eyes June 19th kickoff in Orlando

ORLANDO, Fla. — Close to 1,200 drug store retailers and suppliers will descend on Marriott's Orlando World Center for the National Association of Chain Drug Stores' Second Annual Marketplace Conference starting Sunday, June 19.

The conference, featuring noted speakers as well as 275 manufacturer's merchandise booths, will run through Wednesday, June 22. Both in numbers of attendees and booths, the conference has experienced sizeable growth since last year's inaugural event. The 1987 show, which marked the first consolidation of the cosmetics and general merchandise conferences, drew 920 attendees and 202 booths.

"We're looking for Marketplace to be a key communications meeting for the association—a meeting that will stimulate the exchange of ideas between retailers and suppliers," said Ron Ziegler, president of NACDS.

Valvano

McLaughlin

Ziegler said the show had attracted a large number of retailers, with almost 80 chains scheduled to be in Orlando. "We're looking for continued growth of the meeting," Ziegler added, "but in a controlled fashion."

The show will kick off on Sunday from 6 p.m. to 7 p.m. with a general business session in the Marriott World Center's Grand Ballroom. The featured speaker will be John McLaughlin, producer and host of the McLaughlin Group, a weekly public affairs program which began airing in 1981. McLaughlin will be speaking on the topic "Conservative Views from Washington."

The business session will be

See **NACDS,** *page 8*

See program and exhibitors' list on page 31.

LATE NEWS

- SALT LAKE CITY — American Stores reported lower net earnings on slightly higher sales in the first quarter ended April 30. Net slid to $27.1 million from $35.0 million in the same year-ago period, on sales of $3.60 billion, which compared with year-earlier sales of $3.45 billion, the company reported.
- TOPEKA, Kansas — The Kansas Pharmacists Association is carefully watching a bill that would *require* an employer to allow an employee to obtain prescription medication from a local pharmacy if the local pharmacy is willing to accept the same reimbursement that the mail order pharmacy receives.
- SAN FRANCISCO — Completing a year-long restructuring, McKesson Corp. said it will sell its New York-based wine and spirits distribution business to SunBelt Beverage Corp., a new company in which McKesson will retain a small share. The business produced about $200 million in sales.

Dart Drug starting anew with store upgrade plan

Fantle seeks to restore profitability of chain

LANDOVER, Md. — Struggling to overcome losses and restore profitability, Dart Drug Stores has begun implementing the strategic business plan formulated by chairman Sheldon "Bud" Fantle since his takeover of the chain late last year.

That plan calls for the upgrading and remerchandising of Dart's existing drug stores, the sale of its remaining combination drug-home center stores, and the opening of eight new stores before the end of the next fiscal year on July 31, 1989. The chain also will install pharmacy computers chainwide within two years, Fantle said, and already has completed the installation of point-of-sale equipment in all drug stores.

Dart soon will unveil its new, standardized prototype of 15,000 square feet. In addition, Fantle is preparing to open at least five drug stores

See **Dart,** *page 190*

In this issue: Inside Pharmacy

- Fla.'s prescribing law IP25
- Generic substitution study IP17
- News Clips IP4
- Continuing education lesson on AIDS IP41

NEWS IN BRIEF

Cumberland purchases Kane chain

MONTREAL — Cumberland Drugs Ltd. has boosted its store count to 46 with the purchase of Kane's Super Drugmart, a six-unit chain in Montreal. Cumberland will reset the stores under its own banner over the next several months, according to a spokesman.

Imasco sells 6 Pharmaprix Carnavals

MONTREAL — Imasco's Koffler Group subsidiary has sold six Pharmaprix Carnaval deep-discount drug stores to McMahon Essaim, a division of grocery wholesaler Metro-Richilieu Inc. The stores will boost the company's Cloutier drug store chain to a total of 20 units.

The Pharmaprix Carnaval stores were once operated by Imasco's Shoppers Drug Mart division.

Big V adds four units in Ontario

LONDON, Ontario — Big V has upped its store total in Ontario to 98 units with the purchase of four Canada Apothecary stores in its home market.

The chain—one of Canada's three largest drug chains—will reportedly peg sales of approximately $250 million (Canadian) this year, compared with sales of $150 million last year.

NACDS sets pharmaceutical conference

ALEXANDRIA, Va. — Managed health care, electronic claims processing and future technologies are among the issues NACDS members will examine during the association's 31st annual Pharmaceutical Conference scheduled for Aug. 28-31 in San Diego.

To be held at the San Diego Marriott Hotel & Marina, the conference, on the theme, "Accepting the Challenge," will also focus on bar coding and point-of-sale scanning in pharmacies.

Mini-seminars will include such topics as catastrophic illness health insurance and prescription drug coverage, the future of pharmacy technicians, and the impact of an aging population on drug utilization.

NCWA to hold convention in Beantown

BOSTON — The National Candy Wholesalers Association (NCWA) is holding its 43rd national convention and exposition here July 27 through 31. Co-headquarters will be the Sheraton Boston and Mariott Copley Plaza Hotels, with the exposition and registration in the Hynes Convention Center.

The theme Distributor Kaleidoscope will incorporate sessions on selling value-added services, getting more product onto retailer shelves and displays, and the "state of the art" in computers and communications, as well as other topics.

For program or registration information, contact Dottie Russell, director of conventions and meetings, NCWA, 1120 Vermont Ave. NW, Suite 1120, Washington, D.C., 20005, (202) 463-2124.

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Cover shot photographed at Austin Drugs, Long Island, N. Y.

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Vol. 10, No. 13 June 20, 1988

Five 'unique' small chains are new NACDS members

ALEXANDRIA, Va. — Five small chains—each with a unique competitive slant—have joined NACDS, based here. Also, Alco Health Services Corp., the Valley Forge, Pa. drug wholesale company, is one of 20 new associate members.

Buffalo Pharmacies: Buffalo Pharmacies, in Buffalo, N. Y., has successfully pursued the classic small chain strategy of emphasizing the strengths of the traditional corner drug store.

The seven-drug-store-company wants to "fill the niche that the larger chains don't seem to fill," says president Joseph Voelkl, a University of Buffalo pharmacy school graduate. Voelkl opened his first store—Cleve Hill Drug—in 1971.

Employing 135, Buffalo Drugs—"locally-based, locally-grown"—features stores with banking, post office and lotto, and emphasizes services such as delivery, consultation, and special ordering, said Voelkl.

"We want our stores to stand out as a warmer place. Some of our people have been here for 20-some years," Voelkl said.

Aided by Cardinal Distribution's "Leader Drug" advertising and buying program, which provides the "Leader Drug" private label, Buffalo's 1,000 square-foot to 8,000-square-foot stores generated $7 million annual sales last year.

Monahan Pharmacy, Inc: Monahan Pharmacy has stood out in Worcester, Mass. because of its pioneering home health care business, and president Charles F. Monahan Jr.'s high profile on state and national pharmacy issues.

"It helps businesses like mine to be involved. I've found NACDS to be very helpful," says Monahan, who operates five drug stores and a home health care company called Health and Medical Supplies.

Monahan is a 10-year veteran of the state's board of pharmacy.

As executive secretary in his last four years, he often represented industry interests before the state legislature. Having been active on the National Association of Boards of Pharmacy, Monahan is also vice chairman of the board of trustees for the Massachusetts College of Pharmacy, and president of the Boston Druggist's Association, a social club.

Monahan's home health business, which supplies retail stores and hospitals, is the only home health outlet in Worcester County in central Massachusetts that offers I.V. therapy, Monahan said.

The therapy, plus interal and parental feeding, and respiratory therapy are part of Monahan's full-line of home health equipment that distinguishes the 23-year-old company. Registered nurses and other trained therapists are part of a 94-person staff.

Haggen's Inc: Home-grown Haggen's operates an interesting hybrid.

Headquartered in Bellingham, Washington, Haggen's has developed food and pharmacy stores that combine warehouse and conventional store components in spaces as large as 80,000 square feet.

Two of three food stores with the Haggen's name are upscale units with pharmacies and other service departments. It also has four Top Foods stores, including two with pharmacies, says Larry Ziels, vp-sales and marketing.

A typical store—in the 70,000-square-foot to 80,000-square-foot range— will have the pharmacy situated in the center. Eighty-percent of the shelving is conventional style, with the rest warehouse fixtures.

Ziels says Haggen's wants to learn more about the non-food part of its business through the NACDS membership.

Don Haggen, president, and Rich Haggen, executive vp-operations, are steering the growth of the company that was founded by their father, Ben Haggen, in the 1930s.

Posting $150 million in 1987 fiscal year sales, Haggen's stores are mostly in western Washington markets such as Everett and Olympia, where it has recently opened a prototype 80,000-square-foot unit.

Sav-On Drugs, Inc: "We try to offer the service that I think has kept the independent in business, and be price competitive with the chains," says Gerald Katchman, president of Sav-On Drugs, Inc., an eight-store Detroit-area chain.

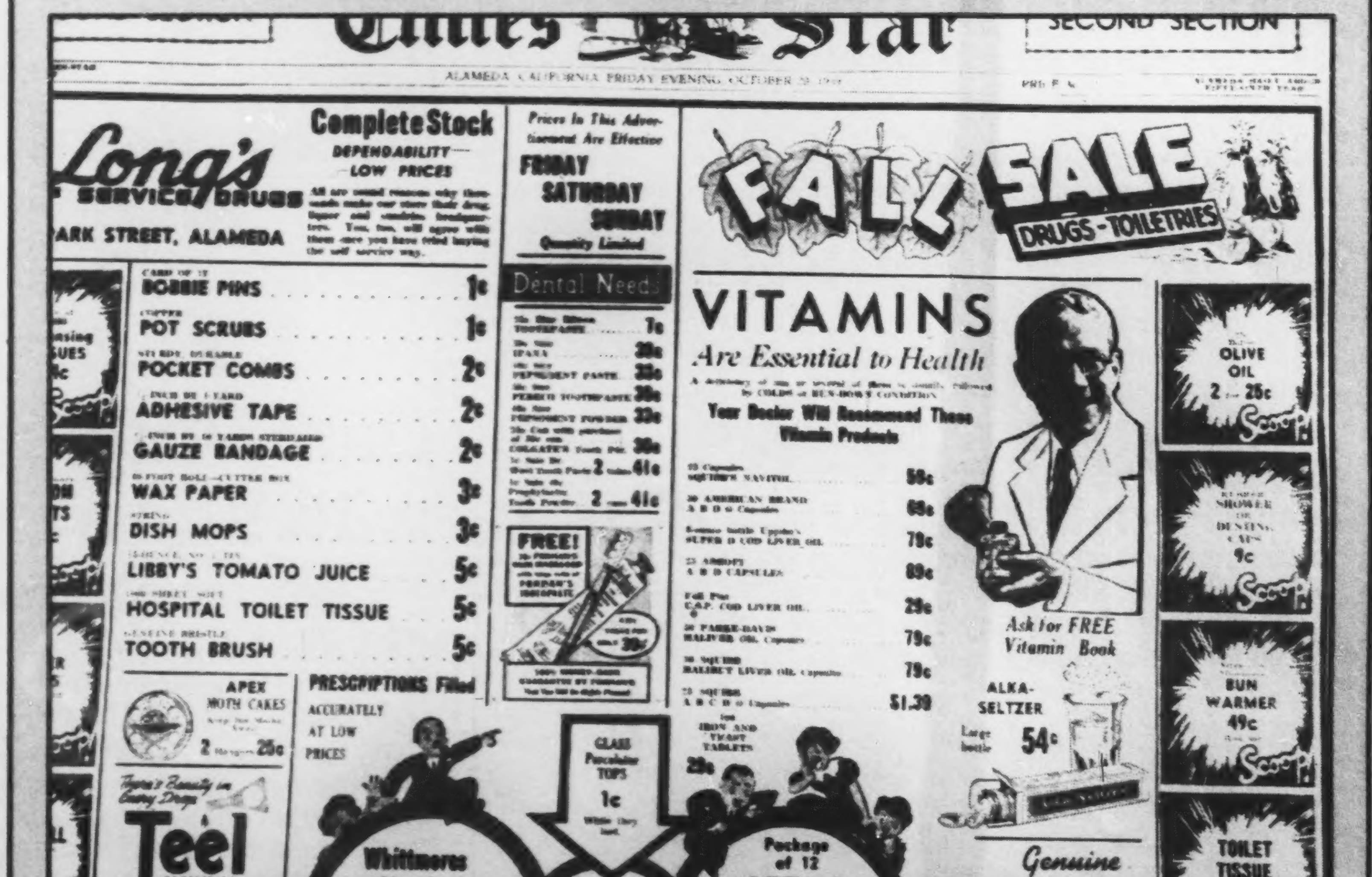
Sav-On was started by Bud Gerson and Barney Yagoda in 1959. When Yagoda retired 11 years ago, Katchman became a partner. Katchman was a pharmacist and then divisional manager with the former Cunningham Drugs.

With stores ranging from 4,700 square feet—such as the first store in Royal Oak—to 13,000 square feet, Sav-On employs 135.

Sid's Get It For Less, Inc.: Sid's became a four-store deep discount chain unto itself last year, when Sidney Dworkin and his son Marc left Revco Drugs. They took with them the Get It For Less deep discount division, and are now making it work from headquarters in Hudson, Ohio.

Marc Dworkin, former executive vp of Revco, is operating Sid's, while his brother and former Revco executive Elliott Dworkin has purchased and is running the Jax's deep discount stores. The Dworkins aren't strangers at NACDS.

Sixty years of drug store retailing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89c
29c
79c
79c
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IRON AND YEAST TABLETS 29c
Ask for FREE Vitamin Book
ALKA-SELTZER Large bottle 54c
Genuine
OLIVE OIL 2 25c
SHOWER OR DUSTING CAPS 9c
BUN WARMER 49c
TOILET TISSUE
Scoop

An advertisement for Longs Self Service Drugs appeared in the *Times Star* of Alameda, Calif., with fall bargains. At the time, in October 1939, vitamins were positioned for sale preceding the cold and flu season, and Longs boasted that "a deficiency of one or several of them is usually followed by colds or run-down condition." A free vitamin book was offered for those customers who requested it.

What's hot and what's not in national drug store H&BA sales movement

(12 weeks ending March 25, 1988 vs. year ago)

WHAT'S HOT

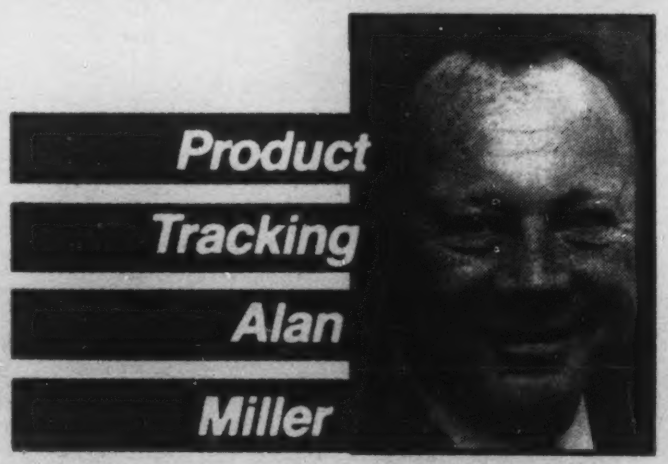
SAMI Product Class	annual Category	Product class 12-week volume (millions)	% gain in dollars
Feminine hyg. Towelettes	Feminine hygiene deodorants	$ 1.7	+112.5%
Super hard to hold pump	Hair spray	20.4	+ 97.3
Hard to hold pump	Hair spray	40.5	+ 63.9
Men's	Hair coloring	19.1	+ 53.9
Special purpose	Hair coloring rinses	23.0	+ 46.5
Special purpose	Shampoo	28.6	+ 45.6
Pacifiers	Nursing supplies	5.8	+ 43.1
Extra soft/gentle	Toothbrushes	2.1	+ 34.2
Children's aspirin	Internal analgesics	4.5	+ 33.4
Super Hard to hold aerosol	Hair spray	44.3	+ 30.8
Granules	Laxatives & stool softeners	20.0	+ 29.7
Sun screens	Suntan lotion/suntan oil	60.6	+ 29.1
Liquid	Feminine douches/washes	12.4	+ 25.2
Baby lotion	Baby oils, cream & lotion	9.2	+ 24.7
Children's nonaspirin	Internal analgesics	75.3	+ 24.1
B Complex	Synthetic vitamins	3.9	+ 23.9
Plastic bottles	Nursing supplies	4.6	+ 19.7
First aid kits	First aid products	2.4	+ 19.5
Dandruff & medicated	Hair conditioning rinses	3.6	+ 18.8
Facial creams	Facial preparations	77.7	+ 18.5
Knitwear	Infant clothes	3.9	+ 17.5
Aspirin	Internal analgesics	67.4	+ 17.3
Powders	Laxative & stool softeners	86.8	+ 17.2
Cologne	After shave lotions	9.0	+ 16.7
Anti-perspirant pump	Spray deodorants	1.6	+ 15.8
Citrate of magnesia	Laxative & stool softeners	5.6	+ 15.4
Deodorant powders	Deodorant & talcum powders	14.4	+ 15.3
Powders	Foot deodorants & athlete's foot remedies	12.9	+ 14.5
Hair sets other than mousse	Hair setting needs	47.7	+ 14.2
Children's liquid	Cold remedies	12.8	+ 14.2
Double process blonding	Hair blonding	32.2	+ 13.0
Child	Toothbrushes	7.7	+ 13.0
Disposable systems	Razor blades	47.8	+ 12.9
Regular floss flavored	Dental aids	6.8	+ 12.7
Arthritic specialties	Internal analgesics	54.5	+ 12.5
Gauze & gauze pads	First aid products	44.5	+ 12.4
Non fluoride	Mouth wash	164.3	+ 12.3
Menstrual remedies	Internal analgesics	17.6	+ 12.1
General cold remedies (liq.)	Cold remedies	114.1	+ 12.0
Unisex	Hair dressing needs	56.7	+ 11.7
Ibuprofen	Internal analgesics	2.2	+ 11.4
Contact lens solution-soft	Eye care products	296.5	+ 11.0
Hard-glass permeable	Eye care products	40.5	+ 11.0
Powder spray	Foot deodorants & athlete's foot remedies	11.2	+ 10.4
Women's	Hair dressing needs	7.4	+ 10.2

WHAT'S NOT

SAMI Product Class	annual Category	Product class 12-week volume (millions)	% gain in dollars
Fruit Fragrance	Shampoo	$ 2.1	-52.1%
B-1	Synthetic vitamins	1.3	−43.5
Ibuprofen menstrual remedies	Internal analgesics	3.8	−40.8
Vinyl	Infant clothes	5.3	−29.3
B-12	Synthetic vitamins	3.3	−25.2
E	Synthetic vitamins	24.1	−24.8
Regular	Roll-on deodorants	2.9	−24.0
Supplements	Natural vitamins, minerals, supplements	38.8	−23.3
Tropical sun	Suntan lotion/Suntan oil	20.4	−21.2
Balsam & protein	Shampoo	18.8	−20.5
Antiperspirant aerosol powder	Spray deodorants	9.1	−19.4
Injector	Razor blades	5.5	−18.8
With corn starch	Baby powders	18.7	−16.7
Aerosol	First aid antiseptics	13.9	−16.3
Tooth gels	Toothpaste & powder	57.5	−15.9
Regular floss-unflavored	Dental aids	11.4	−13.9
Regular aerosol	Hair spray	35.4	−13.1
Regular aerosol	Spray deodorants	18.6	−12.7
Baby	Shampoo	15.8	−12.4
Facial sponges	Facial preparations	10.5	−12.4
Toothpaste-pump	Toothpaste & powder	19.1	−11.7
Children's-tablets/ capsules	Cold remedies	3.5	− 9.9
Body sprays	Spray deodorants	11.4	− 9.1
Balsam & protein	Hair conditioning rinses	18.6	− 8.3
Drops & liquids	Breath fresheners	3.0	− 8.0
Inhalers	Nasal sprays-drops-inhalers	10.3	− 8.0
Premium double edge	Razor blades	11.8	− 8.0
Contact lens solution-reg.	Eye care products	19.8	− 7.7
Adhesive bandages	First aid products	56.7	− 7.4
Hair styling mousse	Hair setting needs	42.5	− 6.2
Denture liners	Denture adhesives	8.8	− 6.1
Hard/firm	Tooth brushes	7.7	− 5.9
Mineral oil	Laxatives & stool softeners	8.1	− 5.7
Nasal drops	Nasal sprays-drops-inhalers	15.4	− 5.6
Natural ingredients	Shampoo	52.6	− 5.6

Source: SAMI/Burke

Product launches feed appetite suppressants' growth



Under the heading "what's hot and what's not," we've identified H&BA product categories and classes that have had major dollar volume changes in drug stores during the 12 weeks ended March 25 vs. the comparable period a year ago. This focus will show some of the major trends now taking place nationally.

Bolstered by the launch of Stay-Trim by Plough and Eat 'N Lose by CCA Industries, the category that showed the highest rate of gain during the study period was appetite suppressants.

Hair sprays, another category that showed continuing strength, was helped by new and roll-out performance, including the completion of national distribution by Salon Selectives and Textra since the year-earlier period.

In the sleeping aids category, the growth brands were Sominex, Sleepinal and Compoz. Pfizer's Equalactin was the only major new entry in the laxatives and stool softeners category. In internal analgesics, growth came largely from *The New England Journal of Medicine* report on aspirin's role in preventing heart attacks. In the mouthwash category, Plax has become a leading brand and Colgate Tartar Control has been launched nationally.

Spurred by the use of soft contact lenses, sales of eye care products have shown dramatic growth, with product volume in drug stores approaching the half-billion-dollar mark. Within the past year, two brands, Ciba Vision and AOSept, have gained national distribution.

As for "what's not", there were only eight H&BA categories whose loss rate exceeded 5 percent. They included both vitamin categories, synthetic and natural. The 13.7-percent decline in the proprietary tranquilizer category does not seem to have as much impact when annual sales of $1.3 million are considered.

In cream deodorants, sales attrition continues as a result of the growth of stick deodorants as the favored product form. Spray deodorants too have been cannibalized by the upsurge of sticks.

A dearth of new product intros has had a negative impact on two product categories in recent years, razors and home permanent kits. In the latter category, the brands that have gained a share include Ogilvie, S-Curl and L'Oréal.

Often a close examination at the product class level yields clues about trends developing in product categories. These examinations can shed light for marketers formulating corporate development programs, particularly for new product planning.

Two H&BA classes with the highest growth rates are found in hair spray category. The growth of hard-to-hold and super-hard-to-hold reflects not only a packaging trend but also changing hair styles. Gains for special purpose shampoos and hair conditioning rinses mirror the segmentation that has gripped the category. The increasing use of cosmetics by men can be seen in the 54-percent growth in men's hair coloring.

Sorting out SAMI nomenclature

The **product department** discussed is health & beauty aids. A **product group** might be proprietary remedies. The next level of measurement is the **product category** such as internal analgesics. A **product class** might be ibuprofen analgesics. A **sub-class** might be extra-strength tablets. Last come **brands and items**, for example, Advil 24s.

Alan Miller is consultant to SAMI/Burke, Inc., and former vp of sales service at Selling Areas Marketing Inc.

The Labor CRUNCH:

Drug store execs battle a shortage of quantity and quality in labor pool

By Susan Ball

From Maine to Louisiana, from Atlanta to the West Coast, drug store chain executives are raising a national cry for help.

Wherever they gather, conversation turns to tales of want ads that go wanting; of long hours put in by understaffed store managers; of brainstorming sessions on strategies to find—and keep—somebody to mind the store.

"Warm bodies are becoming very attractive," Tom Rosenthal, president of Richmond, Va.-based Standard Drug, wryly said.

Across the country, the shortage of help has hit drug chains with an Excedrin-size headache. Most say the problem is worst at store level, particularly in part-time help. "Part-time help is drying up," said John Haronian, president of Rhode Island-based Douglas Drug.

A store manager in an affluent northern New Jersey suburb said, "This is a money town, where kids make more allowance than we pay. One kid was working to save for a car; then his dad bought him a new Camaro, so he quit."

Quality workers needed

Even where applicants are plentiful, some note a change in the labor pool: "Quantity isn't the problem; it's the quality," said Roger Baumgarten of K&B in Louisiana, where unemployment is high because of a soft oil industry.

Although chains on the West Coast report the crunch is less severe there, some, such as Pay Less NW and Bartell Drug, are exploring alternatives to the traditional drug store labor pool and forming plans to prepare themselves for problems they see ahead.

Chain execs' only consolation, perhaps, is they're not alone: McDonald's prints employment pitches on placemats; other fast-food operators and department stores bus workers from inner cities to suburban outlets; store windows along many Main Streets are plastered with help wanted signs.

This problem, which has plagued drug stores, supermarkets, fast-food chains and department stores for at least two years, isn't going away. "The situation will get quite a bit worse for the rest of the decade and into the early 1990s," says David Lewin, a professor at Columbia University's Business School, who specializes in labor relations.

He cites three main reasons:

- Demographics: An aging population and a downturn in the 16- to 24-year-old population that is projected to continue into the mid-1990s.
- Recent immigration laws, which, in reducing the number of immigrants in the overall labor supply, will affect retailers.
- Widespread and increased employee screening—polygraph tests, drug tests, AIDS tests—that is selecting out people who would otherwise be in the applicant pool.

Heightened competition

Moreover, overstored areas heighten competition for workers, and the rate of women in the workforce has already reached about 56-57 percent, with the rate of entry slowing down. They are also pursuing professional careers rather than retail work. "There is no such thing as a housewife pool anymore," declared Audrey Freedman, an economist with the Conference Board, a nonprofit economic research firm.

Wherever unemployment is low, the labor shortage is high. In Portland, Maine, the unemployment rate in December was 1.8 percent; in Atlanta, 4.4 percent; in Washington, D.C., 2.9 percent; in Anaheim and Santa Ana, Calif., 2.5 percent; in San Francisco, 3 percent; and in Harrisburg, Pa., 2.8 percent. That's contrasted with Flint, Mich.'s 14 percent; Houma,

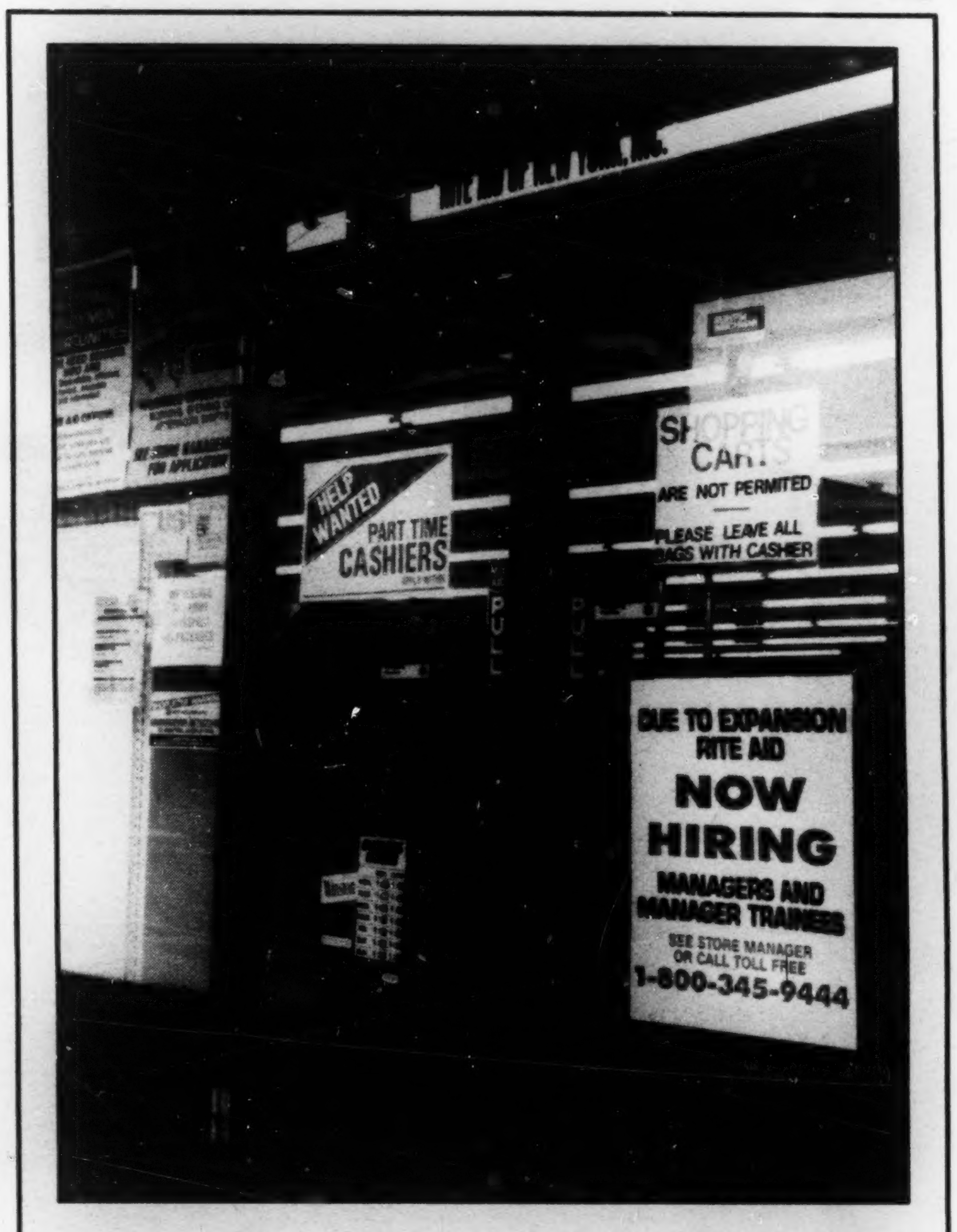
Continued on page 187

Minimum wages if different from national minimum wage ($3.35)

Ala.	None
Alaska	$3.85
Ariz.	None
Ark.	$3.25
Colo.	$3.00
Conn.	$3.75
D.C.	$3.35-$4.85
Fla.	None
Ga.	$3.25
Hawaii	$3.85
Idaho	$2.30
Ind.	$2.00
Iowa	None
Kan.	$1.60
La.	None
Maine	$3.65
Mass.	$3.65
Minn.	$3.55
Miss.	None
Mo.	None
N.H.	$3.55
N.D.	$2.80-$3.10
Ohio	$2.30
Puerto Rico	$0.55-$3.35
R.I.	$3.65
S.C.	None
S.D.	$2.80
Tenn.	None
Utah	$2.50-$2.75
Vt.	$3.55
Va.	$2.65
Wash.	$2.30
Wyo.	$1.60

States with $3.35 minimum wage: Calif., Del., Ill., Ky., Md., Mich., Mont., Neb., Nev., N.J., N.M., N.Y., N.C., Okla., Ore., Pa., Texas, W.Va., and Wis.

Source: U.S. Dept. of Labor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In Newburgh, N.Y., a Rite Aid drug store posts four help-wanted signs at entrance, above. It is a reflection of the severe labor shortage affecting many retailers in the area, caused by low unemployment and the proliferation of malls and new stores. The chain has also tried including a notice for store management applicants in its promotional ads, below.

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Ukrop's rewarding solution: elderly, impaired workers

RICHMOND — As retailers search for untapped labor sources, they might well look at Ukrop's Super Markets, a chain of about 20 stores based here.

Not only has Ukrop's been hiring retirees since long before a labor shortage was on the horizon, it has also been hiring mentally and physically impaired employees, to the benefit of employer and employee alike.

"All we're doing is taking advantage of something that's out there," said Rick Carr, Ukrop's manager of human resources. "It has worked well for us."

The chain cooperates with Supported Employment of Virginia, a private agency, and other governmental and private groups that help place disabled people in the workforce.

The Supported Employment group provides counseling, coaching and other support. When the agency sends a impaired person to work at Ukrop's, a social worker comes, too, and learns the job alongside the new employee. They work the four-hour shift as a team for a few weeks, with the social worker tapering off as the impaired worker gains confidence in his or her ability to handle the job alone.

"The social worker takes the pressure off, then slips out of the picture," explained Carr. "It's a good transition from sheltered workshops or for those who have never worked before."

The workers are paid and treated the same as other part timers at Ukrop's, he said. Although a company is allowed to pay impaired employees below the minimum wage, Ukrop's starts all its employees somewhat above the minimum. They usually work as entry-level courtesy clerks, greeting customers and bagging and carrying groceries for customers. Others help in the on-site bakery or clean and sweep. "We may modify jobs somewhat to accommodate workers," Carr added.

Their conditions range from slight learning disabilities to Downs Syndrome; there are also deaf and other physically impaired, though mobile, employees.

"We've always had some disabled people working for us," Carr said. "We just stepped it up about a year ago."

Although Ukrop's began hiring retirees almost accidentally many years ago, when an older man told a Ukrop family member he had time on his hands and needed some exercise, the chain has reaped goodwill benefits as well as dependable employees from its policy. "We do very little advertising," said Bob Kelley, vp-human resources, adding that he and a senior with experience in personnel work speak at senior citizen centers two or three times a month. Ukrop's people also serve on local seniors' committees and as members of the Urban League.

Some seniors work full time, others part time, usually as courtesy clerks, but Ukrop's also tries to match jobs to their previous work experience. "If they've taken early retirement, they have a good 15 years of work ahead of them," said Kelley.

Special report: Cosmetics/ fragrances 1988

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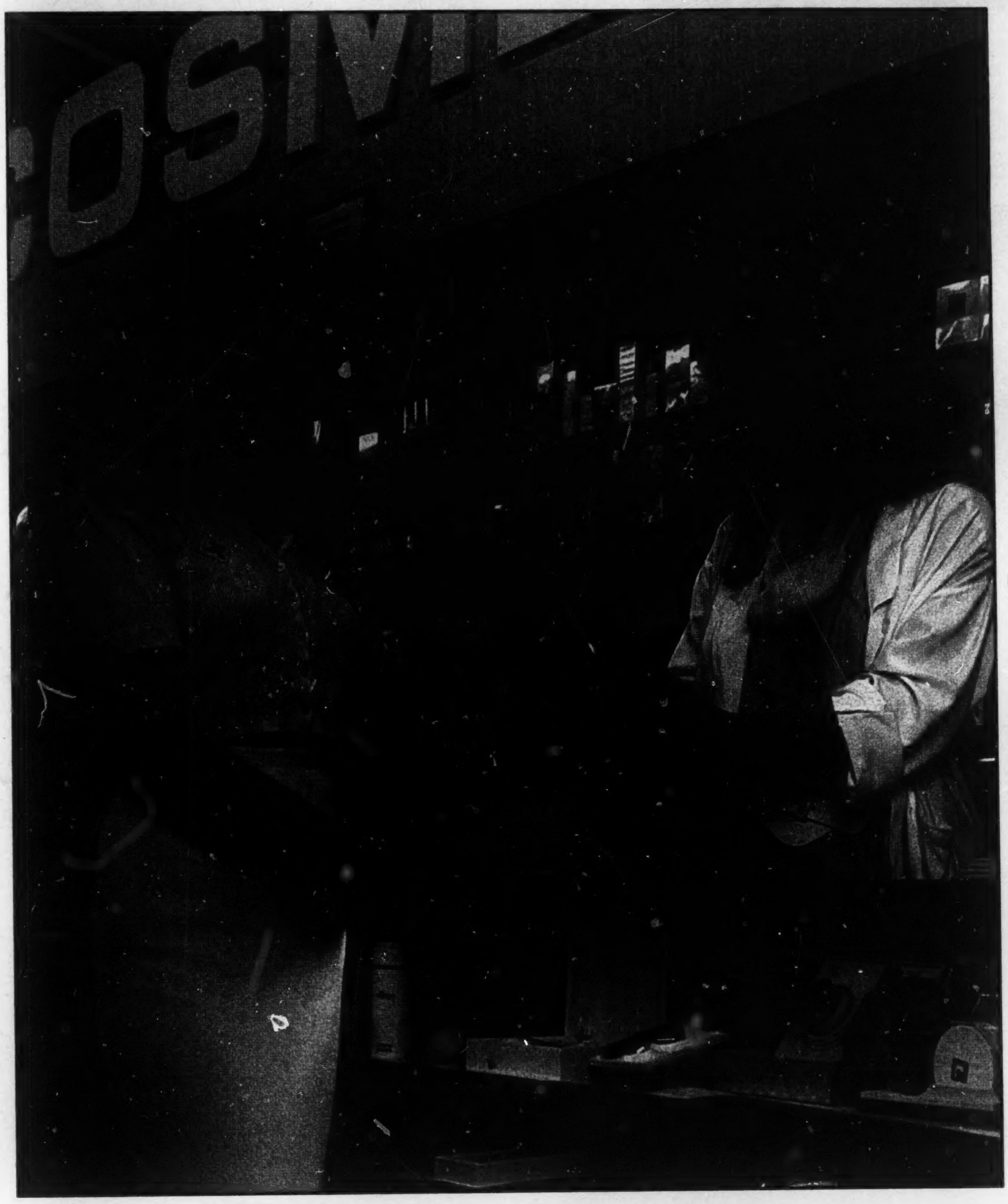

Chart 1: Growth of color cosmetics in retail drug stores*

(1987 vs 1986)

Segment	1987 sales (millions)	% change
Eye Makeup	$252.1	4.3%
Lip makeup	$235.8	7.9
Nail Color	$154.7	(5.8)
Face Make-up	$317.1	9.2
All color cosmetics	$959.7	4.9

*Sales of color cosmetics in retail drug stores only

Source: Nielsen Marketing Research

Chart 2: Growth of color cosmetic sales in all mass retail outlets

Segment	Drug stores	% change	Food stores	% change	Mass Merchandise stores	% change
Eye	$252.1	4.3%	$ 94.7	8.8	$102.8	3.5
Lip	235.8	7.9	57.0	11.5	61.2	5.8
Nail	154.7	(5.8)	41.3	(3.5)	49.0	(8.9)
Face	317.1	9.2	101.2	14.0	119.2	7.4
All color	959.7	4.9	294.2	9.1	332.2	3.2

Source: Nielsen Marketing Research

Chart 3: Share of 1987 color cosmetic sales by retail outlets

Category segment	Drug	Food	Mass merchandisers
Eye	56%	21%	23%
Lip	67	16	17
Nail	63	17	20
Face	59	19	22
All cosmetics	61	19	20

Source: Nielsen Marketing Research

Color my world hot: cosmetics buyers

By Elizabeth Parks

The mascara/eye color category is starting to overtake the nail care segment as the hottest growth area in color cosmetics.

According to reports from cosmetic/fragrance buyers around the country, the hottest new product right now is Max Factor's No Color Mascara. Buyers say the item is so hot and so unique that many chains sold out "practically overnight," and then they had trouble restocking because Max Factor couldn't keep up with the demand.

A few chains are still waiting for their first shipments, and the typical comment from these buyers is "if we had it, it would be the hottest thing in our stores."

Growth segments

Buyers also say that although No Color is making the biggest splash in their stores right now, all their mascara lines are selling very well. In fact, most buyers say the mascara segment is currently their fastest growing area in cosmetics.

In Kansas City, Gwen Batchelor, the cosmetic supervisor for Dot, reports that all her mascara lines are growing. "Cover Girl's Lash Primer is doing very well," she says, "and so is their Sensitive Eyes Mascara. L'Oréal's Lash Out is doing well, and Maybelline's Ultra Thick Lash is strong. They're really all doing well."

In Detroit, David Van Howe at Arbor also reports that all his mascara lines are selling well; in Alabama, the cosmeticians for Harco Drug report they also are seeing such a trend, and in the West, Longs Drug sources also say mascara is selling well.

A few buyers report that some shades right now are selling better than others. Several said their best sellers are the basic black and brown mascaras and the cobalt blue. One source said the purple shades were not selling well at all in her stores because "it doesn't bring out the eye."

Nail treatment sales

Last year the total nail care category was the fastest growing segment in most drug stores, but this year nail sales have slowed down. The treatment section of nail care is still very strong, but buyers across the country report that sales of artificial nails are down "considerably," and color is erratic. About half the chains we talked to reported their color sales were flat, while the rest said they were up, sometimes as much as 30 percent.

In nail treatments, most buyers say their sales are still going up between 20 percent to 25 percent this year. The DeLore line is frequently mentioned as a strong seller, and several buyers also singled out Sally Hansen's new Nail Therapy which is enriched with vitamins, aloe and collagen.

Most buyers also say that Revlon's new Calcium Gel is starting off very strong, and that L'Oréal's Strong Grow, the La Sallé No Chip, and Del's Sally Hansen Maximum Growth are also doing very well.

Both the full Sally Hansen and the La Sallé treatment lines get good reviews, with most buyers saying their strongest sales are for the nail hardeners.

Many buyers also reported sales were growing on the Revlon Liquid Nail Wrap line.

Artificial nails down

Almost every buyer we interviewed said artificial nail sales were down, even for category leader Lee Nails. "People are afraid of buying the artificial nails because of the bacteria you can get. Also, the tabs are a nuisance. Many women report they just don't keep the nail on," said a source for Brooks Drug.

However, a few buyers said that even though their artificial nail sales were down, the professional lines in their stores were outperforming the category, as were the nails made by West Cabot Industries.

"The sculptured nails and the Miss Lee Nails are doing okay for me," said one source, "but the active lengths are very soft." In many markets, French manicure kits also continue to do well.

Revlon, Maybelline and Cover Girl get the best ratings in color. Some buyers said that Max Factor and L'Oréal nail color sales were doing okay, but a few buyers are reporting that L'Oréal's nail color sales are slowing down.

Some said this may be because the L'Oréal line is priced higher than Cover Girl and Maybelline, while others said they had a service problem. Several buyers reported that their service has been so slow that their stores have been out of stock "on the best shades" for several months now.

Most buyers were very enthusiastic about Cutex's launch of its new Strong Nails color treatment line. A source at Brooks Drug said the Knox gelatin in the Strong Nails formula was a tremendous boost and should go a long way towards insuring the success of the launch.

Skin treatments

This year, most buyers are reporting that skin treatment sales are doing "surprisingly" well. Most buyers say this is primarily because of the growth in their Almay sales, and also, to some extent, to the success of the Colgate Lournay line in some chains.

Revlon's Anti-Aging lotions and Almay's Stress Cream and Stress Eye Gel were also said to be doing very well in most chains.

Sources for chains like Brooks, Peoples, Arbor, Austin, Douglas and Harco all report growth with the Almay line, color cosmetics as well as treatments. Lournay is not in as many chains yet, but most cosmetic buyers who do have it report good movement from the pre-packs. At Arbor Drug, Van Howe says Lournay is doing "quite well for us."

In New York, Marlene Isaacson at Austin says it's doing exceptionally well in some stores, and that advertising seems to be helping the brand. Some buyers said Lournay seems to be doing well because of Colgate's advertising support and because the four-SKU line is a simple regimen, not expensive and very easy to understand and use.

"It's perfect for the young women just starting to use a regimen," said one source. The toner, made without alcohol, is reported by many buyers to be particularly strong.

Buyers in several Northeast-based chains also reported strong sales of the Doak Formula 405 skin treatment line.

Chain buyers evaluate cosmetics lines' performance for '88

Arbor Drug in Michigan is currently upgrading its cosmetics department. The new look is brighter to make the department "more attractive" to consumers, plus the aisles are being widened for greater shopping conveinence.

Chart 4: All color cosmetic sales: retail share trends

Year	Drug stores	Food stores	Mass Merchandise stores
1987	61%	18%	21%
1986	58	17	25
1985	59	17	24
1984	60	16	24
1983	62	16	22

Source: Nielsen Marketing Research

Lip sticks and lip glosses is still a major segment, but growth, many buyers say, is just fair to moderate.

Most buyers said there hasn't been any "really trendy launches in this segment lately," and that their bestsellers are still Revlon, particularly with Super Lustrous, and L'Oréal with its Glossique line. The Gleamers gloss stick is also doing well.

The L'Oréal and Max Factor lipsticks are just "okay," most buyers report.

Del Labs has a new pencil form lipstick with a geometric pattern, and buyers say they think that will probably do well this year.

Revlon also has a new line, which will be shipping soon, called Lip Therapy. It conditions and protects the lips, and most buyers said they think this line will be very good, because it's different and it addresses a real need.

The Lip Therapy conditioner can be worn over or under regular lipstick, and it protects and coats the lips with extra moisturizers. It also has an SPF of 19 for sun protection.

"It softens existing aging lines and it also prevents signs of aging. It's the kind of product most women easily respond to, and I think it will do very well with us," says Marlene Isaaacson at Austin.

At Brooks Drug, sources were waiting to see how well Clarion's new lipstick packaging will increase sales, and they were also reporting strong sales with Revlon's Super Lustrous, "partly because we promote it so much," and with the Max Factor lipsticks "because their cabinetry is so good. It helps the lipsticks sell themselves."

Facial makeup In facial makeups, most buyers said Cover Girl is currently their best line, and several said Visuelle is also selling well.

Max Factor has a relatively new line of sheer makeups with sun care protection called Sun Smart. Although most buyers said it was too soon to form a final opinion, their initial reaction is that it will do well this year in their stores.

Many buyers said Revlon's New Complexion makeup is selling strongly, and the Brooks Drug chain in the Northeast reported strong growth with Corn Silk.

Most buyers say the blush segment is "standard. Okay, but nothing dramatic or spectacular."

In Detroit, David Van Howe of Arbor says Almay's new blush shades should do well. Van Howe also likes Factor's new Blush Stroke, which he called "unique." Blush Stroke has a pencil applicator as well as a brush on the opposite side. It was designed to give women more control as they apply the blush to their cheeks.

Many buyers added they are doing well with ridge fillers or wrinkle concealers like Max Factor's Erace. Austin's Isaacson was also enthusiastic about Factor's new pencil blush, Blush Stroke.

Eye makeup Many buyers said they are doing well with their single pan eye shadows.

Revlon's new Eye Gel continues to move well. Austin's Isaacson called Revlon's new eye liner pencil a "great item," and said she thinks it will do really well.

Brighten Industries, which makes the successful Beauty Eye Pack, also has a new two-minute moisturizing eye gel coming out, and several buyers think it will do well. One said the new gel "has good ingredients" and it will be coming out at a time when "eye gels are hot."

At Douglas, buyer Anne Beauregard said the Eye Pack has been doing well since Christmas. "We can take a good margin on it, and we don't have to feature it. It comes in pre-packs and it sells itself."

Buyers are also hopeful about Maybelline's relaunch of its Perfect Pen Eye Liner.

Buyers are also optimistic about a similar product that Revlon is now shipping. Most said they thought the new Revlon Eye Lining pencil should do well this year.

Accessories successful In accessories, buyers say they are doing really well with Caboodles, a cosmetic organizer, and with hair accessories, particularly banana combs, a two-part comb called T'zers, and Marten Industries' Martinique accessories line.

Buyers also say that the Caboodles organizer sells itself. Our sources also said they like the new spring/summer shades coming out this year, plus the box has been redesigned so the edges are softer and rounded, and most buyers said that should make sales even better "because it looks even more feminine."

Some buyers who have sun care packs in their cosmetics area reported excellent sales from the new Sun Less Tanning Lotions that Coppertone has out this year. Several buyers who said they got their first shipment in April had already reordered twice by the end of May.

Nail care Among the recent new cosmetics releases is a new Nail Zone product from Pavion that buyers say is off to an "interesting start." Those that have it say initial movement has been good, and those that are still waiting for it say they expect it will do well.

Cutex's new Strong Nails is just getting to most stores at presstime, but buyers expect it to be strong. One buyer whose stores had had the line for about a week at presstime said it looked "very promising."

Two buyers said they felt women would be very receptive to the line because "so many people believe that gelatin is good for the nails and Knox gelatin is in the formula."

Arbor Drug is also replanograming its cosmetic department so product is displayed in a "family configuration" rather than by product category. With brand names grouped together, Arbor says customers will be able to easily match lip and color shades together without having to search throughout the department for the brand they prefer.

Chains seek cosmetics zip via prototypes

Some chains with new management like Brooks, Dart and Revco were in the process of reevaluating their cosmetics departments and were preparing new prototypes to make the department more visible and more attractive to consumers.

Even chains with strong cosmetics departments like Austin, Arbor, Harco, Fay's, Perry and Peoples were working on new approaches that could both exploit their existing strengths, particularly their service cosmeticians, and at the same time give them access to new "opportunities" in the category.

Almost every chain we talked to was upgrading their fixturing, and most were going with the new Revlon Avanti fixtures, the new Max Factor fixtures, and Noxell's fixtures for Cover Girl.

A few chains like Peoples, Harco, Arbor and Austin Drug were also reviewing their adjacent departments, trying to maximize sales in the categories that would most logically sell best in the same general area of the store as cosmetics.

Clerks more accessible

Many were moving their bath accessories, ethnic products and hair color and professional hair care lines closer to cosmetics, so the sales clerks could be more accessible to consumers with questions.

Most chains were also talking about getting better lighting for the department. Many buyers told *Drug Store News* that wanted to light their section "so the product just pops off the shelf." Many were also looking for ways to broaden or widen their aisles so customers would feel more at home "browsing for cosmetics."

This year, more than ever, buyers were talking about the pressing need to train their cosmetic clerks "even more thoroughly than in the past."

Many chains with strong cosmetics departments were doing more to highlight them. This year Fay's sponsored its first annual Beauty Fair to showcase its cosmetic expertise, and Peoples Drug held its third annual Beauty Expo for the same reason.

Harco, Austin, SupeRx, Eckerd and Thrifty are other chains that have used some variation of a beauty fair to attract and please existing and potential customers.

Dermatologists seen as a training resource

Key executives for many drug stores and cosmetics manufacturers are finding that dermatologists can be a very valuable training resource.

In North Providence, R.I., Anne Beauregard, the cosmetics buyer for Douglas Drug, reports that Doak sent a New York dermatologist to speak at a school for Douglas cosmeticians.

Beauregard said this was the first time a dermatologist had come to one of the Douglas cosmetic schools, and that his talk was fascinating.

"We had dozens of questions about everything from Retin-A to skin cancer, and he fielded them all," she said. "It was very valuable for us since our cosmeticians spend so much time dealing with the public and trying to answer the kinds of questions that we dealt with at that seminar."

Fragrance buyers are reporting that many women customers prefer to buy several brands of fragrances rather than one so they can have a "wardrobe of fragrances" to match their different moods. Focal point displays are a key way to capture more of these impulse sales.

Chains brace themselves for a flood of new fragrance intros

The fragrance category in mass drug stores is about to get a strong injection of new product excitement.

A number of manufacturers have new launches planned for later this year, and several others are relaunching or revamping older and more established lines.

In men's fragrances, which is a growth area for drug chains, Shulton is launching a new scent called Santa Fe targeted to the younger, contemporary male.

Shulton is also investing in print and TV campaigns to continue to support their Night Spice which was launched last year. They are also continuing to spend on TV and print to build and maintain share for their traditional best selling brand, Old Spice.

Shulton is also repackaging Pierre Cardin which has been relatively soft in drug chains for the past year.

MEM is continuing to support its popular English Leather line with what the company calls its largest ad budget in the brand's history, and the company is also introducing a new all in one after shave and cologne in a musk scent: Cool Musk.

Faberge is rolling out McGregor, its new men's prestige fragrance backed by a $5 million ad budget.

Coty, which last year launched Iron successfully, is now launching Mexicali Musk For Men, also targeted to younger men. Coty is also continuing to support their flagship men's brand Stetson, as well as last year's Iron.

Prince Matchabelli has a new four sku cologne/after shave line with the catchy name "Hero." Support will include TV, print and scent strips.

Beecham is also expanding its print campaign for Jovan Musk, carrying through with their controversy provoking "What Is Sexy" campaign which broke last Christmas.

New in women's fragrance

In the women's segment, which is flat in drug stores, Revlon is launching Trouble, which is its first internally developed scent since Jontue in 1975.

Revlon is also reacting to the success of its Xia Xiang fragrance by introducing a new Charlie Oriental fragrance this spring.

Xia Xiang, which was launched by Charles of The Ritz before Revlon acquired Ritz, was the surprise success of 1987 and cosmetic buyers said the scent is still selling well in their stores.

Revlon is also bringing back the formula for the original Intimate. The new Original Intimate will be sold in line with Revlon's Modern Intimate.

Almay has a new "hypo-allergenic" fragrance that, if successful, would be a unique new addition to the category. Almay also plans to spend at least $5 million to support the launch.

Calvin Klein has a new prestige fragrance debuting which, with its $17 million ad budget, could create a new opportunity for ADF sales. It's called Eternity, and the distribution for the first year will be limited to 700 doors.

Prince Matchabelli has its first spray cologne launching as an extension of its Impulse Body Spray line. It's called Tres L.A. and it will be supported by a $7 million ad campaign.

Coty is also working on a new women's scent which will probably launch later this year.

Buyer's assessments

Many buyers said they are a little "overwhelmed" by all this new excitement in the category. Some said it could be just the shot in the arm the category needs in their stores, but others are afraid that so many new products, all coming out during the third and fourth quarters, could confuse the consumer and make it hard for any individual new product to stand out "as something special."

"I don't ever remember seeing so many things come out at once like this before," said Marlene Isaccson of Austin Drug. "It's a little confusing, even for me as a buyer."

"I think it will be good for my fragrance sales," said David Van Howe, the senior cosmetics buyer for Arbor Drug. "Whenever you have new product launches, it helps the overall category. Right now without the new launches, my fragrance sales are up about 4 percent. Hopefully with the new launches, I may be able to end the year with sales up between 8 percent and 10 percent, said Van Howe."

At press time, most buyers hadn't seen all the new brands yet, and some had seen them but not smelled them all.

Most buyers showed the strongest optimisim for Trouble, Sante Fe, Mexacali, McGregor and for Charlie Oriental.

Most buyers were enthusiastic

Continued on page 61

Fragrance: New product launches

Brand	Manufacturer	Quarter of launch	Comments
Trouble	Revlon	4th qtr.	Aimed at women 20-40. First internally-developed scent since Jontue in 1975. TV and magazine support from Oct. through Dec. 7 SKUs priced $10 to $80.
Ex Cla Ma Tion!	Coty	4th qtr.	Ad campaign theme is: "Making a statement without saying a word."
Eternity	Calvin Klein	3rd	New department store women's line. About $17 million will be spent to support Eternity in its first year. Distribution limited to about 700 doors.
Sante Fe	Shulton	3rd	Daytime scent for younger men. $5 million introductory ad campaign. SRP's $8.50 to $15. 5 SKUs in line.
Almay "Hypo Allergenic" Fragrance	Almay	3rd qtr.	Almay's first fragrance. Will be marketed as "the first and only" hypo-allergenic fragrance. $5 million will support the brand in its first 5 months. 4 SKU line: $10 to $16.50.
Mexicali Musk For Men	Coty	3rd qtr.	Targeted to younger, contemporary men. Support includes a multimillion dollar ad campaign.
Hero	Prince Matchabelli	3rd qtr.	4-SKU cologne/after shave line. Ads use theme "Everyone Needs a Hero." SRP's: $8 to $13.50. Support includes TV, print and scent strips.
Charlie Oriental	Revlon	3rd qtr.	Extension to 15-year-old Charlie line. Two sizes, $10 and $20.
English Leather	MEM Company	2nd qtr.	An all-on-one after shave-/cologne being introduced in ½-oz. trial sizes. SRP $1.50. 4 oz. size has a $7.50 SRP
Pierre Cardin	Shulton	2nd qtr.	New packaging. $2 million ad support planned.
Tres L.A. Impulse Spray Cologne	Matchabelli (Chesebrough-Ponds)	2nd qtr.	Extension of Impulse Body Spray line. First spray cologne. Two sizes; $4.95 and $7.50. $7 million ad campaign planned.
Jovan Musk	Beecham	2nd qtr.	Repackaged and supported with major new print/TV campaign. Plus two new line extensions: Jovan Musk Oil and Jovan Musk For Women Solid Anti- perspirant.
Original Intimate	Revlon	2nd qtr.	Relaunch of original Intimate, which was discontinued last year. Two sizes, $13.25 and $17.50. Becomes a line extension for the Modern Intimate now on shelf.
McGregor	Fabergé	2nd qtr.	New men's prestige fragrance. Support includes $5 million print and TV ads.
Gucci Nobile	Colonia	2nd qtr.	Line Extension: Gucci scent for men. Colonia is the distributor.
Arielle de Fragonard Parfum	Marimar Inc., Distributors	2nd qtr.	New scent from the House of Fragonard. SRPs 12.50 to $50 for 5-SKU line.
English Leather	MEM	1st qtr.	MEM has doubled its ad budget for line. Now at the highest level in the company's history. 36-week schedule broke Jan. 1988. Theme: "Some Guys Have it All."

Source: Drug Store News Survey

The Canadian drug chains have always known how to make their cosmetic aisles seductive. Here Pharmasave uses a teddy bear to make their cosmetic island appealing and inviting.

Buyers brace for a flood of fragrances

Continued from page 58

about Revlon's launch of Trouble, saying that Revlon would spend generously to support the launch and that the company, with its relatively new management, was on a roll for doing things right.

At Brooks Drug, management said they liked the fragrance and the packaging, and also said Revlon could pull off the ad campaign they were planning, "a little outrageous, a little offbeat, a lot of fun, but nothing extreme", the launch could be very strong.

A few buyers, however, were a little dubious about Trouble, saying that Revlon's fragrances lately haven't been doing as well as their color cosmetics.

A few sources who had McGregor in their stores at press time said it wasn't selling all that well yet, but this was before Father's Day and at a particularly slow time for fragrances.

Most buyers said they liked the scent and packaging for McGregor, and that Father's Day would be its "true test."

There was the possibility that McGregor may get some unlooked for publicity because of a possible conflict with anti-alcohol abuse groups who seem to be objecting to the McGregor slogan: a little scotch before breakfast.

But buyers said that if a controversy does develop around the slogan, it could be good for the brand, making it stand out from the herd.

Several buyers said they think the Oriental or spicy fragrances may be an important new trend, catching the public's fancy just as musks did when they first emerged several years ago.

A few sources said they would describe the top notes in the Beautiful and Liz Claiborne scents, which are selling well in department stores right now, as being close to an Oriental fragrance.

Gwen Batchelor, the cosmetic supervisor for Dot Drug said Charlie Oriental can be the discount drug store's answer to Xia Xiang which is in limited distribution now.

Buyers also said they expect the romantic and floral fragrances to do well this year. Those who have seen the new Arielle de Fragonard scent, which is being distributed in this country by Marimar, said it also looks like a winner.

"It's a very nice scent," said Van Howe of Arbor, "and I think it should do very well."

Management at Brooks Drug agreed, but one source there worried about the name. "Arielle by itself would be better than Arielle de Fragonard," the source said. "The scent is lovely, but many people won't buy something they can't pronounce."

Buyers were kind of mixed about the relaunch of the Original Intimate. Some thought it should be great because "older customers would want the brand." But others thought it might sell fairly slowly since the Modern Intimate is not a strong seller.

Buyers who had seen and smelled Shulton's new Santa Fe said they were very impressed with it. Most said they liked the scent, the packaging and the concept.

Several buyers said they also liked the brand's positioning. "It's not a real western campaign with a guy rounding up ponies," said one buyer, "But it's more sophisticated and cosmopolitan.

"The packaging is very pretty and the scent is attractive."

One buyer said the scent at first comes on very strong, but that it dries down beautifully.

"It should appeal to women buying for men who always claim they can't smell anything," said one buyer, "but I also hope the strong top notes don't frighten away users who will like it better when it dries down."

The concensus, however, was that Sante Fe will do well, and that Shulton can be counted on to support it.

Most buyers said they think Coty's new Mexicali Musk will also do well, partly because it is from Coty and buyers have a lot of respect for Coty's fragrance launches. In addition, it looks like a "fun" brand with a quality fragrance.

Everyone who tried the fragrance said they liked it, and most buyers also liked the packaging. They thought Coty's campaign for the brand which will feature the little worm on the Mexacali logo will be amusing and attention getting.

"I can just see a women spotting this in my store," said one buyer. "She'll take one look at it, say "what is this" and then buy it because it's so off beat. But then I think we'll get resales because the fragrance is good—kind of a Polo with a light musk scent to it.

However, a handful of buyers were skeptical about the advertising emphasizing the little worm on the logo.

"That is a pretty odd choice," said one buyer, "and I honestly wonder how women will react to it."

Coty sources said they picked the worm as a logo because it is "playful" and because it ties into the Mexican

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Chart 5: Growth in mass market fragrance sales

Segment	1987 sales (millions)	% change vs. '86
Women's	$ 711.0	(0.7%)
Men's	557.7	4.7
All Mass Fragrances	1,268.7	1.6

Source: Nielsen Marketing Research

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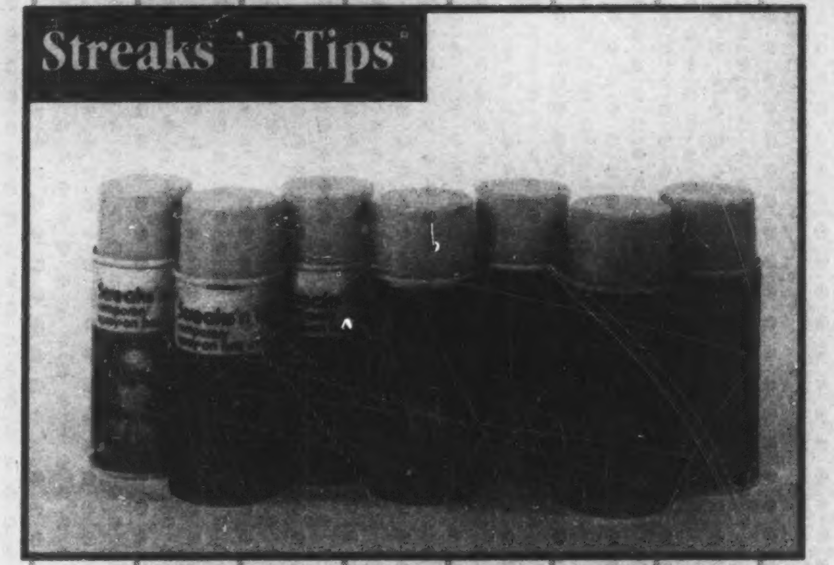

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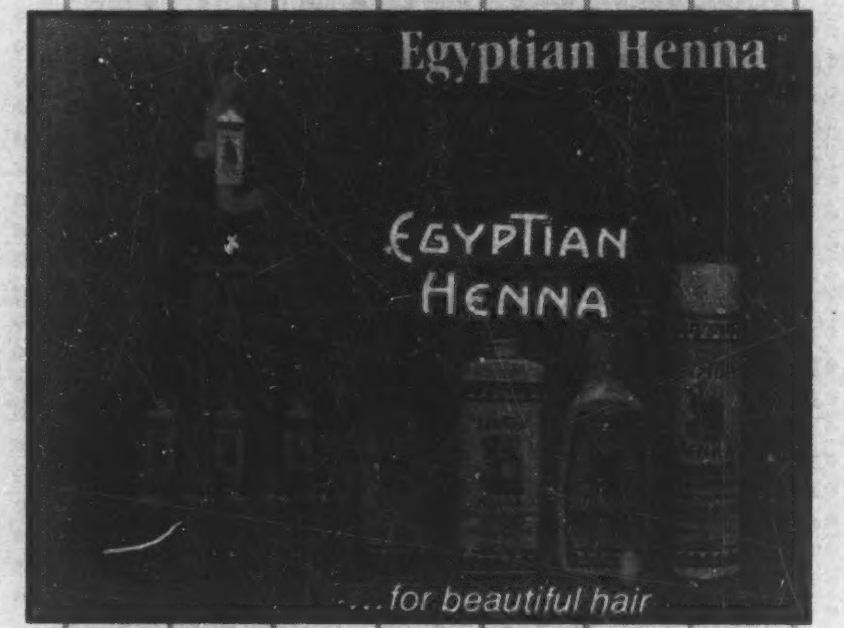

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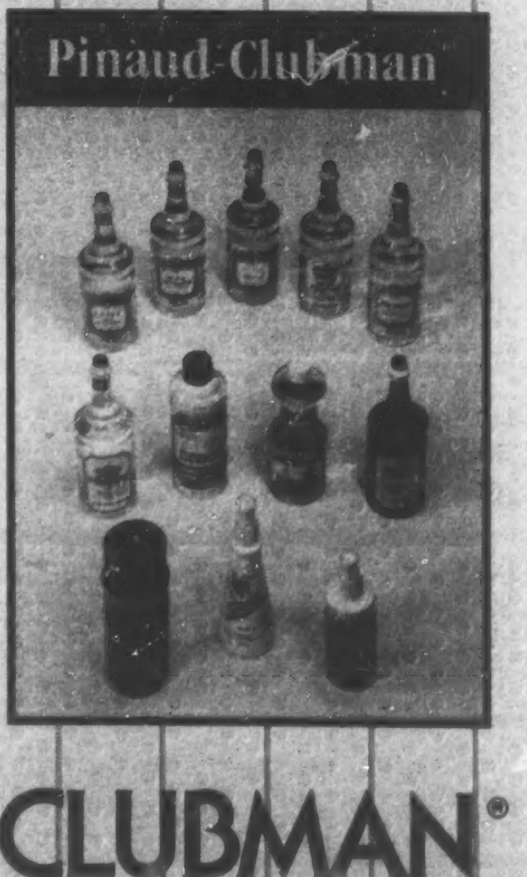

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Buyers say it's the little touches that make a difference in their cosmetic planograms. Keeping the service bar "uncluttered," for example, as Crown does here is a sure way of winning over a potential customer. So is the use of flowers and jewelry as "props" in the case itself.

Chart 6: Mass women's fragrance sales by retail segment

Retail segment	1987 sales (millions)	% change	Share of sales
Drug stores	$622.7	1.1%	88%
Mass merchandisers	88.4	(11.6)	12

Source: Nielsen Marketing Research

Chart 7: Mass men's fragrance sales by retail segment

Retail segment	1987 sales (millions)	% change	Share of sales
Drug stores	$347.4	7.0%	63%
Food	92.9	5.5	16
Mass Merchandisers	117.4	(2.1)	21

Source: Nielsen Marketing Research

Buyers eye new brands; established scents show strength

Continued from page 61

image of the brand. A little worm is usually in bottles of Mexican Tequilla.

One Coty source said the worm should capture the consumer's fancy as the alligator does on the Izod polo shirts.

Coty sources also point out that the Mexican/Spanish influence seems to be "in" this year. Mexican beers are hot, La Bamba was a success. Another new movie featuring Latin music and dances, Salsa, has just opened, and there are Spanish influences in this year's fashion designs: bolero jackets, rufffled shirts, etc.

Musk is not as strong a growth segment as it was a few years ago, buyers said, but it is still a viable segment. And the launch of Mexicali may help to revitalize the segment.

Many buyers also think Beecham may be able to put new life back in the segment with their "What is Sexy" ads. Most buyers said Jovan Musk performed well last Christmas and should do well again at Father's Day.

Most buyers found it a little hard to be sure of what to expect from Almay's launching of its innovative hypo-allergenic fragrance.

Everyone used the word "interesting" to describe the launch, and everyone said they weren't completely sure what to expect.

Many said they "can't imagine" anyone making a hypo-allergenic fragrance because it is a contradiction in terms. "I can't imagine what you could put into it to make it both a fragrance and hypo-allergenic," said several sources.

One buyer said that right now she is "skeptical" and will buy "conservatively until I see what happens."

"I don't know what will happen," said Arbor's Van Howe. "I don't know how many people out there may want a hypo-allergenic fragrance."

At Austin, Marlene Isaacson said she thought it would do well because many women think they have sensitive skin and so there should be a built in market for a hypo-allergenic fragrance.

"Women who want to wear fragrances but can't because they're allergic to ingredients in most fragrances will try again to see if this one will work for them," she said.

Almay is asking that the fragrance be merchandised in the skin treatment section so the typical Almay user can find it as easily as possible. "They think many of their initial sales will come from the traditional Almay user," said Van Howe, "and it's also an interesting idea. It's very different, but it could work."

Most buyers said they will wait to decide where they will merchandise the new scent until after they see how well the brand sells off pre-packs.

Several sources said that if it does well from the prepacks, they may cross merchandise it in both the treatment and fragrance planograms.

Others said that if the fragrance clicks, it could be a blockbuster because it would be "unique" and it would appeal "to anyone who even imagines she has sensitive skin."

Almay is also budgeting at least $5 million to support the launch, and that makes many buyers more comfortable with the scent.

Hero was just making the rounds of the buyers offices at presstime, and few sources had firm feelings about the launch. Several said they were encouraged because Matchabelli's management "has been trying very hard to get the right things done." However, Matchabelli doesn't have the same reputation as Revlon, Cosmair, Shulton or Coty for supporting a launch, so there was some skepticism.

Several buyers said they would probably bring Hero in at Christmas and "see what it can do."

There was also little feedback on Matchabelli's Tres L.A. Most buyers said they thought it would work best with the very young, teen market, but they said the teen market is fickle and that right now they seem to be buying more alternative designer fragrances than anything else.

The concensus was that only time will tell on Tres L.A.

Established Brands

According to chain drug store fragrance buyers, the performance of some of the industry's strongest mass fragrance brands this year is a little erratic. Some sources said they were still enjoying strong sales of the major brands like Vanderbilt, Lady Stetson, Stetson and Chaps, etc.

But a few buyers said that with the exception of Stetson and Lady Stetson, their sales of the mass prestige brands was off "a little" and that even the majority of designer brands, with some exceptions, were not as strong as they'd been in earlier years.

The older, traditional value brands like Old Spice and English Leather are doing well in most chains.

Most sources said Charlie was flat, almost all said Intimate was down, Adidas was not selling that well, and Pierre Cardin was off.

Most chains said they were disappointed in Cosmair's newest brand, Glorius. And even those chains that said it was selling all right for them added that sales were not "spectacular, just steady."

A few chains also reported that their sales of Vanderbilt were down "somewhat".

Xia Xiang is continuing to do well, and Iron and Night Spice are doing all right, although chains differ on which is the most successful brand. About half the chains pick Iron and the rest pick Night Spice.

In designer scents, Obsession, Polo and Poison are doing better than the category as a whole. Liz Claiborne and Estee Lauder scents are also good in most chains that have them.

The Alternative Designer Category is still flat, but Parfums de Coeur is still the leader. Several buyers said their new knock-off of White Linen, Raw Silk, is doing very well.

Delegar's ADF's got several favorable mentions, as did Westport's Fever, L'Illusion, Parfums Celeste and Sensation from Jean Phillippe.

Most women shoppers are instinctively comfortable walking into a clean, bright store. Longs Drug in California takes special care with its cosmetic department to insure that the customer's first impression is always a good impression.

Among outlets, drug stores maintain solid fragrance sales

Overall sales of women's fragrances in the mass retail market were down in 1987, Nielsen Marketing Research indicated. Mass merchandisers suffered the sharpest declines while the average drug store managed to maintain at least a slight growth of about 1 percent.

According to Nielsen, women's fragrance sales in drugstores went up 1.1 percent in 1987 to nearly $623 million. However, Nielsen estimated that they declined 12 percent in mass merchandise stores last year to just $88 million.

Nielsen only tracks women's fragrance sales through two types of mass market outlets: drug stores and mass merchandise stores.

Food stores are not tracked right now because most food stores do not generate much business with the women's mass fragrance category.

Nielsen estimated that drug stores had a 88 percent share of the category's sales in 1987 while mass merchandisers had a 12 percent share.

Men's fragrances

In the men's mass fragrance category, mass merchandisers again lost share, dropping 2 percent to $117 million in sales for 1987.

Drug stores and food stores both generated growth in the category. Men's fragrance sales were up 7 percent in drugstores to $347 million in 1987 and they were up 5.5 percent in food stores to nearly $93 million.

According to Nielsen's estimates, drug stores had a 63 percent share of men's mass fragrance sales in 1987 while food stores had a 16 percent share. Mass merchandisers had a 21 percent share, Nielsen said.

All mass fragrances

Fragrance sales through all mass retail outlets were up slightly in 1987, Nielsen said.

Sales of all fragrances increased 1.6 percent to $1.268.7 billion. The women's segment was down 0.7 percent to $711 million, but the men's segment was up 4.7 percent to $557.7 million.

Consumers voice cosmetic preferences in Gallup study

Most drug store executives describe their cosmetics departments as "the most important area of the store after pharmacy." Although retailers place an extraordinary amount of importance on their cosmetics programs, the department still only accounts for 5 percent of total sales in the average chain drug store, and there are still some chains that are only doing about 3 percent of their total sales in cosmetics.

Most drug chain merchants are trying to build their cosmetics business by upgrading their departments and adding more service assistance to their stores. However, they still say they have a long way to go to woo consumers from their favorite cosmetics retail source: department stores.

These days, the average drug store also has to contend with growing competition from door-to-door cosmetics companies and from mail order houses.

They also have to watch their competitors in the food and mass merchandise industries as these trade classes try to build their presence in this high margin category.

Many companies are currently hiring consultants to help them better understand the needs and desires of the cosmetics user. In addition, many chains, in particular, are trying to find out more about the teen and preteen shopper so they can lure these prime spenders into their stores.

Cosmetics buyers told *Drug Store News* that 12- to 24-year-old shoppers spend more on cosmetics than the average drug store shopper. These buyers also added that once these shoppers are in a store, they tend to browse and make purchases in other categories.

Yet with all the interest in knowing the shopper better, drug store executives said they still don't completely know how the typical consumer thinks today: how they pick a brand, how they pick a store to shop, what they're buying more of, and what it would take to make them more comfortable shopping in a drug store.

That is why *Drug Store News* is now asking the Gallup Organization in Princeton, N.J. to do an annual cosmetics/toiletries user consumer survey for us.

We figure no one is better equipped to tell drug store executives what consumers are buying and where they're buying it than the average American female shopper.

Last year, we had Gallup investigate consumer usage and consumption on fragrances, and the major color cosmetics segments like eye color, lip color, face makeup and nail color.

This year, we asked Gallup to investigate three other "hot" categories: skin moisturizers; hair styling aids, including sprays, mousse, gels and spritzes; and nail treatments and artificial nails.

We asked Gallup to pinpoint usage and consumption trends, as well as brand and store purchasing preferences.

Therefore, in the report that follows, we give you information on the following:

- The percentage of American women between the ages of 13 and 50-plus who normally use skin moisturizers, anti-aging creams and lotions, cosmetics or foundations with SPF ingredients, hair sprays, mousse, styling gels, spritzes, artificial nails and nail treatment products.
- Changes in the frequency of use: how many women are using the above products and whether they buy them more frequently today than they did several years ago.
- Brand preferences by category segment: how many people consider Oil of Olay their favorite moisturizer compared to Clinique, for example, or Neutrogena.
- Whether women are looking for service when they shop for skin treatment products, and whether they buy more hair styling products in beauty salons or in drug stores.
- Why women choose to shop one store more often than anywhere else.
- What women say drug store operators should do to make their stores more attractive places to shop for skin, hair and nail care products.

The methodology for the study was a telephone survey of approximately 500 women, aged 13 and older. The study is a nationally representative projectable sample of all adult American women.

Drug Store News does not have enough space to fully present all the information that was uncovered in the study, including responses broken out by geographic region, race, income and marital status. However, if you think you can use the full Gallup study to help you plan your marketing and merchandising strategies for the future, then contact Special Projects Editor Liz Parks, and we'll send you that portion of the study you're particularly interested in.

Gallup consumer survey highlights

- Just 17 percent of all American women who use hair styling products buy them most often in drug stores. Most women who use hair styling aids (22 percent) buy them most often in beauty salons, and 17 percent said they buy styling products most often in food stores.
- Most women said that they pick a store to shop for styling aids on the basis of its convenience to their home or work and on prices. Very few women said they picked a store because of its selection, service or other amenities.
- Skin moisturizers are very important to most women. Seventy percent of the respondents said they used a skin moisturizer in the past month.
- Forty-eight percent of the respondents said they use skin moisturizers more today than in the past.
- Most American women chose Oil of Olay as their favorite moisturizer brand.
- Just 21 percent of all women said they buy their moisturizers most often in a drug store.
- Forty-six percent of all respondents said service was either somewhat or very important to them when buying a moisturizer.
- Sixty-four percent of all women used a hair spray in the past month; 28 percent used a styling gel; 35 percent a mousse; and 13 percent a spritz.
- A third of all women said they use hair sprays more often today than in the past. White Rain and Final Net are favorite brands.
- Nearly two thirds of all women also use gels more often today than in the past. Dep, Paul Mitchell and Sebastian are favorite brands.
- Three out of 10 women used nail treatment products in the past month. Among users, one third said they use treatments more often today than in the past.
- However just 16 percent of all women said they used artificial nails in the past month. But among users, 31 percent said they used them more often in the past.

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Teenagers are important skin care shoppers, and drug store buyers say the best way to catch their attention is with eye-appealing, colorful POS displays.

Gallup: women feel effective skin care is heart of true beauty

The hottest buzzwords in the marketing of cosmetics today are: anti-aging and skin rejuvenation.

Whether women are shopping department stores for cosmetics or their corner drug stores, they are showing a much stronger interest in moisturizing products and products that can shield their skin from the damaging effects of sun, weather, aging and stress.

Skin care buyers for chain drug stores reported that their overall skin care sales are up, sometimes as much as 20 percent over last year. The facial moisturizers are the growth area, as well as the better therapeutic brands of overall body lotions like Lubriderm and Keri.

Growth in skin care market

In the cosmetic user survey that Gallup did for *Drug Store News* this year, seven out of every ten women interviewed reported that they had used a moisturizer within the past month.

The heaviest users, as you might expect, were women between the ages of 25 and 49. However, more than half of all women aged 13 to 17 also reported they had used a moisturizer in the past month, as well as six out of every ten women in the 18 to 24 age and women in the 50-plus age group.

Buyers think there is so much publicity about skin care needs today that women are starting to try moisturizers at a younger age, and they seem to be be using moisturizers much more consistently and seriously.

When we compared this year's Gallup survey to last year's—when we looked at usage for color cosmetics and fragrances—we found that women today use moisturizers more often than eye liners or eye shadows. In addition, women today use moisturizers as often as they use their mascaras.

"Most women today don't think they can become beautiful by just putting on makeup," said one cosmetic buyer. "They now believe that beauty starts with the skin and that you have to eat right, sleep right and make sure you moisturize your skin."

Chart 1: Incidence of use: skin moisturizers

(Percent of women who have used a moisturizer in the past month, by age groups)

	All women	13-17	18-24	25-34	35-49	50-plus
Used	70%	56%	62%	73%	83%	65%
Did not use	30	43	38	26	17	35

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 2: Incidence of use: anti-aging creams/lotions

(Percent of women who have used a anti-age cream/lotion in the past month, by age groups)

	All women	13-17	18-24	25-34	35-49	50-plus
Used	21%	20%	11%	18%	21%	27%
Did not use	78	79	86	81	78	73

Scurce: Drug Store News /Gallup Consumer Survey, 1988

Chart 3: Incidence of use: facial cosmetics with sun protection

(Percent of women who have used a facial cosmetic/sun protection in the past month, by age groups)

	All women	13-17	18-24	25-34	35-49	50-plus
Used	25%	23%	28%	22%	38%	18%
Did not use	73	73	69	77	61	81

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 4: Frequency of use: moisturizers

(Percent of women and their frequent use of moisturizers over the past several years, by age groups)

	All women who use moisturizers	13-24	25-34	35-49	50-plus
Use more frequently	48%	50%	50%	50%	41%
Use less frequently	5	9	5	4	4
Use about the same	47	41	44	46	54

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 5: Favorite moisturizing brands

(Breakout by age group)

Brand	All women who use moisturizers	13-24	25-34	35-49	50-plus
Oil of Olay	13%	10%	12%	13%	14%
Avon	11	3	6	16	14
Mary Kay	7	6	10	7	7
Pond's	5	2	5	3	8
Clinique	4	9	4	2	3
Vaseline Intensive Care	4	4	3	3	6
Nivea	4	6	5	2	4
Noxzema	4	8	8	—	1
Estee Lauder	3	3	2	—	6
Elizabeth Arden	3	2	2	4	3
Lubriderm	2	1	3	2	2
Neutrogena	2	6	—	1	1
Keri lotion	1	1	5	1	—

Source: Drug Store News/Gallup Consumer Survey, 1988

Among the women who use skin moisturizers, almost half said they use them more often now as compared to a few years ago.

Less than one in twenty women said they use moisturizers less frequently today, and 54 percent of all women aged 50 and up said they use moisturizers about as much as they did several years ago.

Facial products with SPF

A surprisingly high percentage of women also use moisturizers or facial cosmetics with sun protection ingredients, and one in five uses the trendy and usually expensive lotions that are specifically marketed as anti-aging or rejuvenation creams.

Women between the ages of 35 and 49—the age group in which skin damage becomes a major concern—are the most frequent users of cosmetics with sun protection factors. However, the woman who is 50 or older is the best candidate for purchasing anti-aging creams right now.

In terms of brand preferences, Oil of Olay, despite the emergence of so many glamourous department store brands, is still the favorite choice of American women. Fully 13 percent of all the women in our survey picked Oil of Olay as their favorite brand.

Avon, however, was the favorite choice of women aged 35 to 49, with Olay a close second. Mary Kay was the second place moisturizing brand with women aged 25 to 35. Girls 13 to 24 picked Olay as their fa-

Continued on page 68

BEAUTY TRENDS

Chart 6: Where women most often buy moisturizers

(Breakout by age group)

Types of stores shopped	All women who use moisturizers	13-24	25-34	35-49	50-plus
Regular drug stores	21%	27%	19%	11%	27%
Department stores	20	22	21	21	16
Door-to-door	18	9	13	23	23
Food stores	11	13	16	6	10
Discount drug stores	9	8	12	13	5
Discount mass merchandisers	9	8	6	16	7
Specialty stores	4	2	5	6	2
Mass general merchandisers	3	7	5	1	2
Mail order	2	—	1	2	3
Beauty salons	2	2	2	1	1
Other	1	—	1	1	1

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 7: How moisturizer shoppers pick their stores

(Breakout by shoppers)

	All women who use moisturizers	Drug store shopperes	Department store shoppers
Convenient to home or work	40	59	34
Lowest prices	26	16	14
Only place that carries my brand	16	12	32
Selection and variety	8	11	10
Good service	5	3	7
Charge account	1	—	4
Can get gifts with my purchase	1	—	1
Other/don't know	6	2	5

Source: Drug Store News /Gallup Consumer Survey, 1988

Gallup skin study

Continued from page 66

vorite, but Clinique was very close behind, and Noxzema was in a tight third place.

In addition to identifying brand preferences, the findings from this particular part of the survey also suggest that drug stores are probably losing moisturizer sales to door-to-door salespeople, as well as to department store beauty counters.

According to buyers, the best way to fight this trend is to do more advertising with skin care products and to give it more off shelf exposure in the store.

Until recently, most drug chains had a tendency to display skin care items only during the dry months of winter. However, the Gallup findings suggest that this is a more dynamic year round category, and that drug chains need to give consumers more incentives to buy moisturizers in their stores.

Where women shop

Only 21 percent of all the women in our survey said that most often they bought their moisturizers in a regular drug store. Younger women and older women were the most likely to shop drug stores for moisturizers.

The majority of women aged 25 to 49 shopped department stores or bought from a door-to-door salesperson most often.

Food stores were also a popular place for women 25 to 34 to buy moisturizers most often, and so were discount drug stores like Drug Emporium, Phar Mor and F & M.

Women in their middle years also had a preference for shopping discount or mass merchandise stores more often, such as K mart and Wal-Mart, for moisturizers.

Most H&BA and cosmetic buyers for chain drug stores felt that the preference for food and mass merchandise stores was a response to "convenience" and in mass merchandise stores, to price.

Most chain drug cosmetic/H&BA buyers said it is almost impossible to compete with mass merchandise stores on price because they buy in such "massive quantities."

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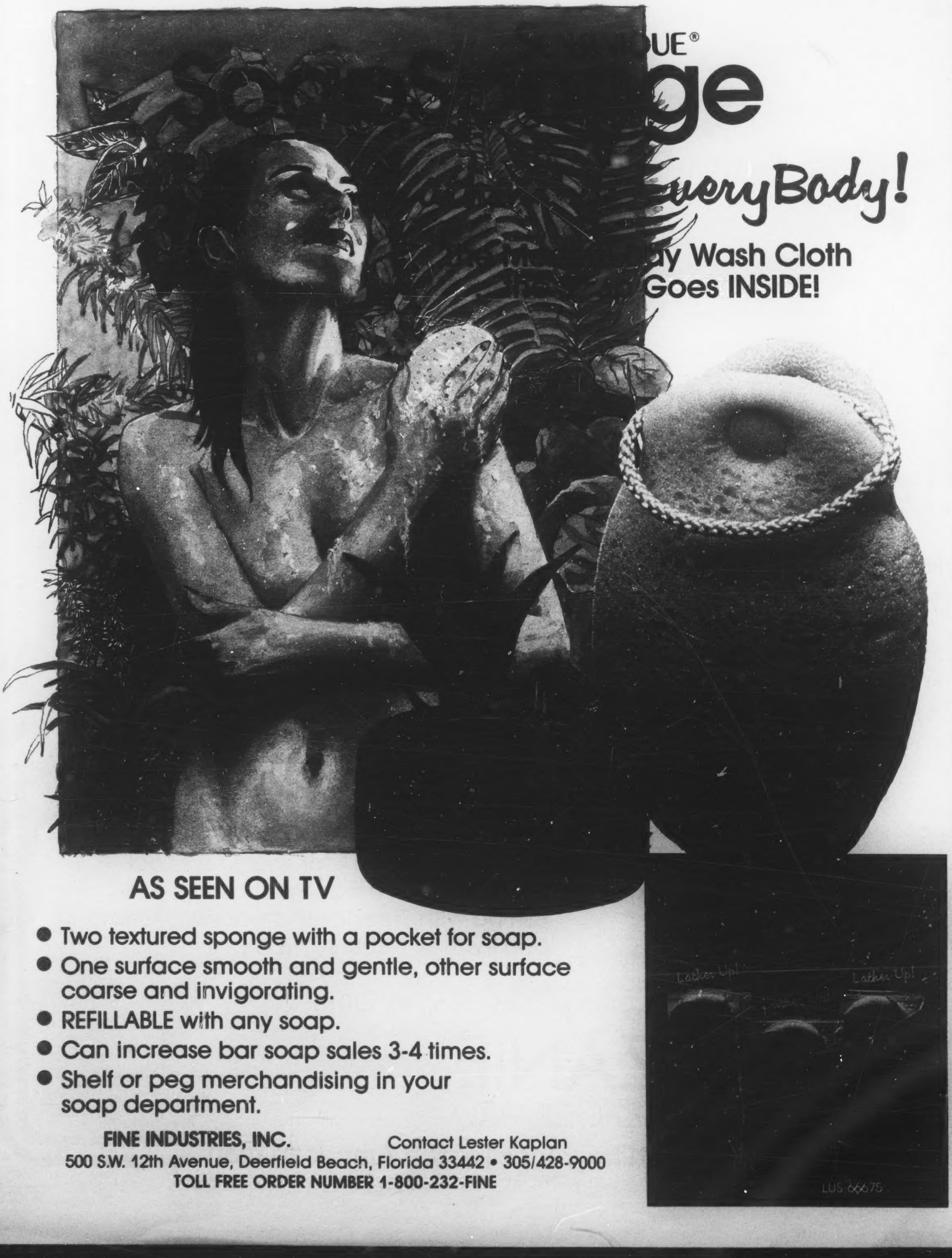
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Chart 8: How drug stores can improve

(What they can offer shoppers, breakout by age group)

	All women who use moisturizers	13-24	25-34	35-49	50-plus
More competitive pricing	15%	10%	19%	22%	8%
Carry better brands	12	10	18	10	11
More variety and selection	11	15	11	12	7
Give more samples	5	8	1	3	7
Better service	4	2	2	6	6
Convenient location	4	2	5	5	4
Advertise more	3	8	4	1	1
Become more colorful/use more point of purchase aids	2	2	1	—	5
Faster checkouts	2	4	—	2	2
Provide a less hectic environment	—	2	—	—	—
Fine as it is	16	11	21	14	16
Other/don't know	29	30	22	27	36

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 9: Shoppers rate importance of service

(Assisting a skin moisturizer purchase, breakout by age group)

Importance of service	All women who use moisturizers	13-24	25-34	35-49	50-plus
Very important	24%	24%	24%	21%	28%
Somewhat important	22	44	19	20	14
Not too important	20	11	23	26	17
Not at all important	31	18	34	33	35
Don't know	3	3	—	—	6

Source: Drug Store News /Gallup Consumer Survey, 1988

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The drug stores that report the strongest growth in cosmetics go out of their way to promote the department. Each ad highlights some cosmetic products, and endcaps and focal displays back up the ads by featuring promotions.

Gallup skin study

Continued from page 68

The Gallup findings, in effect, confirm this interpretation. Four of every ten women in the survey explained that they shopped a particular store most often for moisturizers because it was convenient to either their home or work. Another 26 percent said it was because their store offered "the lowest prices." And 16 percent said it was because the store was the only place "to carry my brand."

Service, the availability of amenities like charge accounts, and gifts with purchases didn't matter to most women who bought moisturizers. Selection mattered to about one in ten, but it was not a critical reason for choosing a preferred store to shop, the women indicated.

Drug stores' sales

Most of the women did think that drug stores could become better stores to shop for moisturizers, however.

About 15 percent said drug stores could be better if they were more competitively priced, and 12 percent said they thought drug stores should "carry better brands." The brand assortment was particularly important to women 25 to 34. Variety of selection was important to about one out of every ten women.

Very few women indicated that they particularly cared about such things as free samples, better service or even more advertising.

Many buyers have told *Drug Store News* that they thought their stores could sell more skin care items if they could just get their clerks to spend more time intelligently servicing the shopper.

Offering more service could possibly be a good strategy. About a quarter of all the women in the survey said service was "very important" to them when they were buying moisturizers, and another 22 percent said it was "somewhat important."

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Gallup: Women eye styling aids, upgraded hair care

In 1988, women seem to have two major cosmetic concerns: the suppleness of their skin, and the shine and texture of their hair.

While the overall hair care category is flat these days, the styling segment, which is made up of products that add sheen, volume and hold to the hair, is growing dramatically. Some segments like gels and spritzes are up 20 percent to 40 percent, according to market research estimates.

Women are telling drug store cosmetic clerks that they want products that do more for their hair. Many say they are willing to pay much more for a brand that delivers a better hold or a healthier shine.

'Women really believe that if a brand has made it in a salon,' says one buyer, 'then it's better than just about anything available on the mass market.'

Buyers told *Drug Store News* that women can't get enough of the professional salon brands in their stores. Many chains now have 4- to 12-foot professional hair care sets in most of their stores, and buyers said they get their best turns and their best profits out of the brands merchandised in this segment.

"Women really believe that if a brand has made it in a salon," says one buyer, "then it's better than just about anything available on the mass market. Because they believe it's better, they don't mind paying a bit more for it."

Buyers also say they think the incidence of use of styling products is growing, as well as the frequency of use.

"Years ago," said one buyer, "you never even had products like gels or mousses or spritzes, and now they are everywhere on the market. For a while, women were shying away from sprays, but now just about everyone uses them."

In this year's Gallup cosmetic survey, *Drug Store News* found evidence that bears out this perception. More than a third of the women in our survey reported they were using hair sprays more today than they had in the past, and 64 percent of the women in the survey said they had used a spray in the past month.

The good news, too, was that younger women were the most frequent users of sprays. Seven out of 10 said they use them more frequently today than in the past, and nearly nine out of every 10 girls age 13 to 17 were users.

As buyers point out, this is the customer group they particularly want to attract to their stores, because girls age 13 to 17 tend to spend more on cosmetics and toiletries, and also because they will tend to evolve into store-loyal shoppers and will probably continue to shop that store as they grow older.

However, many 18- to 49-year-old women also report using hair sprays more often today than several years ago, and most women in this age group have also used a spray in the past month.

According to Gallup, 48 percent of all 18- to 24-year-olds and 54 percent of all 25- to 34-year-olds use hair sprays more frequently today than they have in the past. Nearly eight out of every 10 in the 18- to 24-year-old group use sprays now, as do six out of every 10 in the 25- to 34-year-old bracket.

The group least likely to use hair sprays more often today than in the past was women 50 or older; but even in this age group some 60 percent of all women were using sprays.

White Rain and Final Net were the most-preferred brands among the women in our survey. Aqua Net, which was the third most frequently mentioned popular brand, was also the number one choice of 23 percent of all women age 18 to 34. Women age 50 and older

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Chart 10: Incidence of use: hair sprays

(Percent of women who have used hair spray in the past month, by age groups)

	All women	13-17	18-24	25-34	35-49	50-plus
Used	64%	88%	77%	60%	59%	60%
Did not use	32	9	15	36	38	37
No answer	4	3	8	4	3	3

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 11: Frequency of use: hair sprays

(Percent of women and their frequent use of hair sprays over the past several years, by age groups)

	All women who use hair spray	13-17	18-24	25-34	35-49	50-plus
Use more frequently	38%	71%	48%	54%	27%	18%
Use less frequently	25	16	16	11	41	29
Use about the same	37	12	36	33	32	53
No answer	—	1	—	2	—	—

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 12: Favorite hair spray brands

(Breakout by age group)

Favorite brands	All women who use hair spray	13-17	18-24	25-34	35-49	50-plus
White Rain	11%	14%	13%	13%	8%	9%
Final Net	11	6	7	11	7	16
Aqua Net	9	10	23	9	7	4
Paul Mitchell	4	4	5	9	—	2
Style	3	4	2	2	5	4
Rave	3	6	5	1	6	2
Alberto Vo5	3	1	5	1	1	6
Adorn	3	—	—	—	4	7
Nexxus	3	—	5	1	3	4
Sebastian	3	3	5	1	4	1
Vidal Sassoon	3	3	—	—	4	4
Mink Difference	2	—	2	1	3	4
Clairol Mist	2	3	—	2	7	—
Breck Lasting Hold	2	3	3	2	—	3
Redken	2	—	—	4	3	2

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 13: Incidence of use: styling gels

(Percent of women who have used a styling gel in the past month, by age groups)

	All women	13-17	18-24	25-34	35-49	50-plus
Used	28%	42%	38%	30%	31%	17%
Did not use	72	58	62	70	69	83

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 14: Frequency of use: styling gels

(Percent of women and their frequent use of styling gels over the past several years, by age groups)

	All women who use styling gels	13-34	35-plus
Use more frequently	62%	61%	65%
Use less frequently	12	15	8
Use about the same	25	24	25
No answer	1	—	2

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 15: Favorite styling gel brands

(Breakout by age group)

Brands	All women who use styling gels	13-34	35-plus
Dep Gel	10%	8	11
Paul Mitchell	7	8	7
Sebastian	7	7	8
Aqua Set Gel	5	10	—
Jhirmack	4	4	4
Clairol Kindness	3	2	5
L'Oréal Studio Line	3	3	2
Other L'Oréal products	2	4	—
Sassoon	2	1	2

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 16: Incidence of use: styling mousse

(Percent of women who have used a styling mousse in the past month, by age groups)

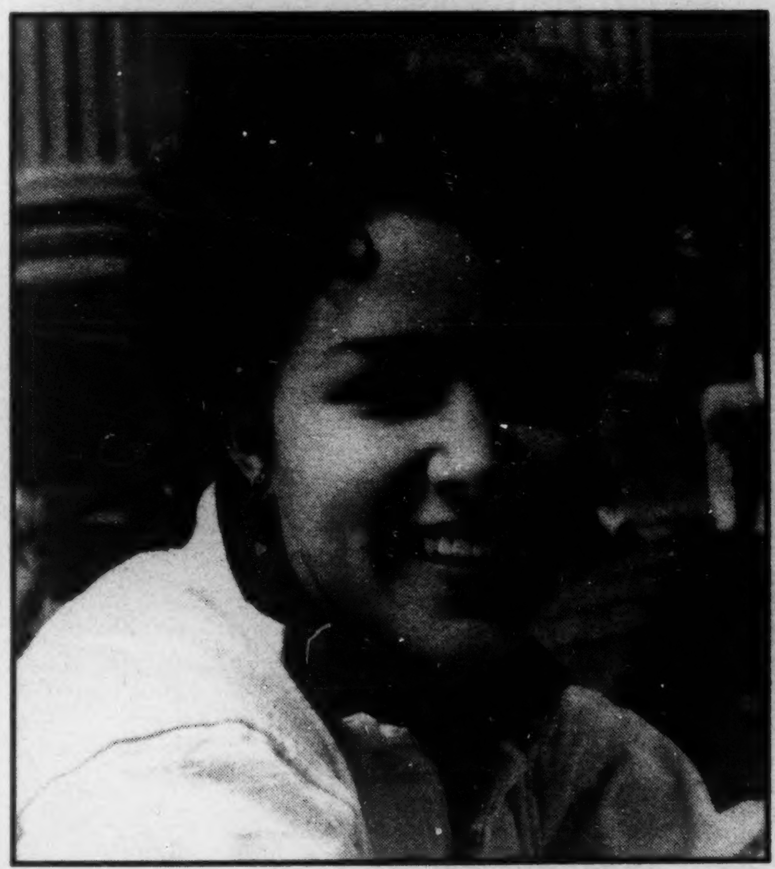
	All women	13-17	18-24	25-34	35-49	50-plus
Used	35%	50%	40%	44%	33%	24%
Did not use	65	50	60	56	67	76

Source: Drug Store News/Gallup Consumer Survey, 1988

Marketers recognize that teenagers and people under 24 use more hair care products than any other age segment in the nation. Young people are known to initiate and quickly popularize the latest "hot" hair care trends.

Notably, the popularity of music videos and MTV have enabled teens across the country to pick up on new styles almost simultaneously. Regional differences are downplayed.

The young adults shown here show off many of today's most popular looks. They are obviously buying lots of hair care product to achieve and maintain their appearance.



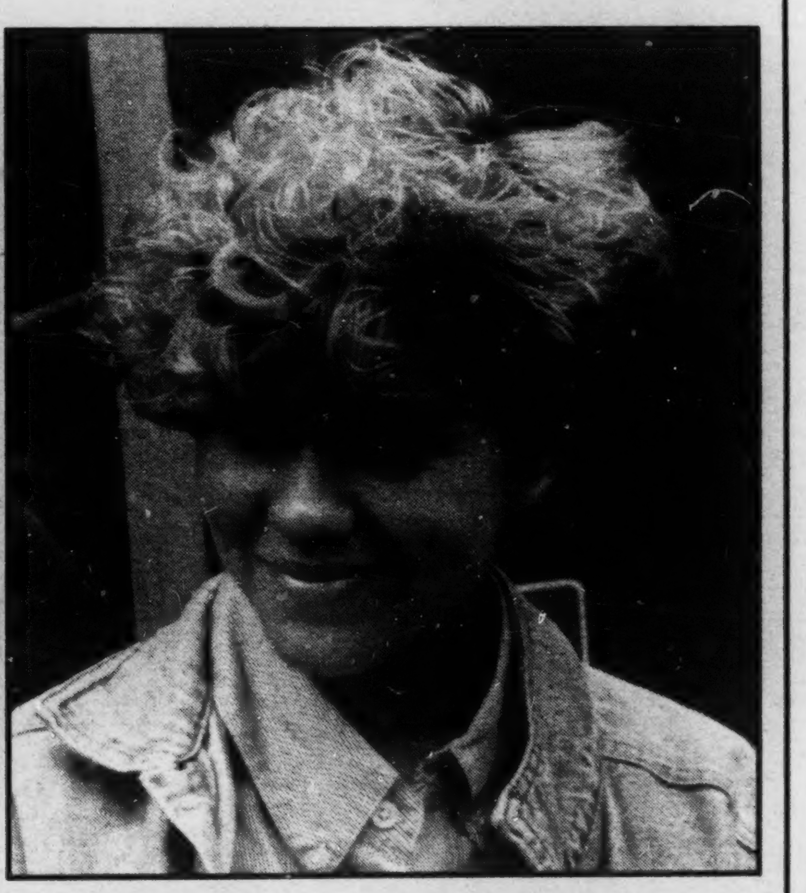


Chart 17: Frequency of use: styling mousse

(Percent of women and their frequent use of styling mousse over the past several years, by age groups)

	All women who use styling mousse	13-24	25-34	35-plus
Use more frequently	54%	43%	58%	57%
Use less frequently	21	28	13	21
Use about the same	24	28	27	21
No answer	1	1	2	1

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 18: Favorite styling mousse brands

(Breakout by age group)

Brands	All women who use styling mousse	13-24	25-34	35-plus
Clairol Condition	15%	9%	23%	14%
Vidal Sassoon	5	3	6	6
Paul Mitchell	5	4	9	3
Finesse	4	7	5	2
Alberto	4	8	2	3
Revlon Flex	4	—	4	6
White Rain	3	4	2	3
Suave	3	8	4	—
L'Oréal Free Hold	3	—	4	4
Aqua Net	3	7	2	1
Alberto Vo5	3	—	—	6
Jhirmack	3	3	2	3
Perma Soft	2	1	5	1
Sebastian	2	2	2	3

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 19: Incidence of use: styling spritz

(Percent of women who have used a styling mousse over the past month, by age groups)

	All women	13-17	18-24	25-34	35-49	50-plus
Used	13%	27%	23%	15%	14%	5%
Did not use	87	73	77	85	86	95

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 20: Frequency of use: styling spritz

(Percent of women and their frequent use of styling spritzes over the past several years)

	All women who use styling spritz
Use more frequently	62%
Use less frequently	14
Use about the same	22
No answer	2

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 21: Favorite styling spritz brands

Brands	All women who use styling spritz
Paul Mitchell	16%
Sebastian	12
Clairol	6
Stiff Stuff	6
Finesse	3
Jheri Redding	3
Revlon	3
L'Oréal	2
Vidal Sassoon	2
Redmond	2
TRESemmé	2

Source: Drug Store News /Gallup Consumer Survey, 1988

Women eye styling aids, upgraded hair care

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most often preferred Final Net, with White Rain coming in second.

Girls, ages 13 to 17, liked White Rain and then Aqua Net, but Final Net and Rave were also frequently mentioned by girls in this age group as a preferred brand.

The most popular salon brand in this category was Paul Mitchell, with Nexxus, Sebastian and Redken also getting mentions.

After sprays, mousse is the styling aid with the longest time on the mass retail market.

Mousse use

Mousse brands have been around since 1983 when L'Oréal and Alberto Culver pioneered the segment.

Although mousse does not have as wide a usage base as sprays, it is still a growing segment, and most women say they are using more mousse now, then in the past.

According to Gallup, 35 percent of the women in our survey used a mousse in the past several years, and some 54 percent said they were using mousse more today than they have in the past.

Nearly six out of 10 women age 25 to 34 said they use mousse more frequently today.

The 13- to 17-year-olds were the biggest users of mousse, and half of the girls that age in our survey said they had used mousse in the past month. Forty-three percent of the respondents age 13 to 17 also said they were using mousse more often now than they had in the past.

Mousse, however, was also popular with women age 18 to 34. Nearly six out of 10 women age 25 to 34 said they use mousse more frequently today, and four out of every 10 of the 13- to ~~24~~-year-olds said they use it more often.

The favorite brands were Clairol Condition, Vidal Sassoon and Paul Mitchell.

Women age 13 to 24 preferred Suave, Alberto, Aqua Net and Finesse, while women 25 to 34 preferred Condition by a large margin. Older

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Coloring products are often displayed near cosmetics, to make it more convenient for women to shop for their total appearance.

Women eye styling aids, upgraded hair care lines

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women also liked Condition, as well as Vidal Sassoon, Revlon Flex and Alberto Vo5.

Gel use

Gels came on the marketplace about two years after mousse, but their usage is growing even more dramatically right now.

A total of 28 percent of the women in our survey said they have used a gel in the past month, and 62 percent said they were using gels more frequently now than in the past.

The heaviest users were again the 13- to 17-year-olds, but more than a third of all women 18 to 49 also said they had used them in the past month. Two-thirds of the women in every age group also said they were using gels more frequently today than in the past. Dep Gel earned the most votes as the preferred brand.

Spritz growing

The styling spritz, which has only been available on the mass retail market for about two years, had the smallest incidence of use. Just 13 percent of the respondents said they had used a spritz in the past month, and most of the users were between the ages of 13 and 24. However, 62 percent of all users said they were applying spritz more frequently today than they ever had in the past.

The favorite brands were Paul Mitchell, Sebastian, Clairol and Stiff Stuff.

Where women buy

In a surprising finding, the most common place for women to buy styling aids was in their local beauty salons. More than two out of every 10 women said a salon was where they most often bought their hair styling products.

Just 17 percent said they most often bought them in regular drug stores, and only 16 percent said they most often bought styling aids in discount drug stores. Food stores got another 17 percent of the most often purchases, and discount stores got 11 percent.

The 13- to 17-year-old age group was the most likely to shop a drug store for a styling aid product, and the 18- to 34-year-olds were the most likely to shop beauty salons.

The findings indicate there is clearly an opportunity to take business away from beauty salons if drug store retailers can convince shoppers that they have a good selection of the high performance brands.

How women choose

Eight out of 10 women surveyed said they chose a store for a styling aid purchase because of its "convenience or price."

But nearly nine out of 10 women told Gallup that they would buy professional hair care products at retail "if they were available and had lower prices than whatever the salons charged."

Women also said that they would consider drug stores to be more attractive places to buy hair styling products if they "had better and more competitive prices, gave more variety and selection, and carried better brands."

Chart 24: Shoppers who would buy professional hair products at retail if they were available and cost less*

	Percent of shoppers who would buy professional styling aids at retail
Would buy	86%
Wouldn't buy	9
Don't know	5

** Asked of women who most often buy their styling aids in a beauty salon.*

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 22: Where women most often buy hair styling aids

(Breakout by age group)

Types of stores shopped	All women who uses hair styling products	13-17	18-24	25-34	35-49	50-plus
Beauty salons	22%	16%	27%	31%	18%	18%
Regular drug stores	17	27	18	14	16	16
Food stores	17	28	20	17	11	14
Discount drug stores	16	14	8	15	19	18
Discount mass merchandisers	11	7	3	11	16	11
Department stores	8	3	11	7	9	8
Specialty stores	2	—	4	3	1	2
Door-to-door	1	—	—	—	—	4
Mail order	1	—	2	—	—	1
Mass general merchandisers	1	2	—	—	1	—
Other	1	—	—	—	3	1

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 23: How hair styling aids shoppers pick their stores

(Breakout by shoppers)

Reasons for shopping this store	All women who use styling products	Drug store shoppers	Food store shoppers	Deep discount drug stores	Beauty salons
Convenient to home or work	43	55	78	27	41
Lowest prices	37	36	18	71	8
Selection and variety	8	6	1	9	11
Only place that carries my brand	6	4	—	—	21
Good service	4	2	3	4	6

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 25: How drug stores can be the place consumers shop for their hair styling aids

(Breakout by age group)

Give shoppers:	All hair styling product users	13-17	18-24	25-34	35-49	50-plus
more competitive pricing	22%	21%	20%	26%	27%	16%
more variety and selection	12	21	11	14	13	7
better brands	9	8	4	16	5	8
a more convenient location	5	4	4	3	1	8
better service	4	2	4	—	9	4
more samples	3	—	4	2	3	5
more POP aids; become more colorful	2	1	2	2	1	2
a less hectic environment	1	1	3	—	1	1
faster checkouts	1	—	3	1	—	1
Fine as they are	19	8	12	23	25	20
Other	2	6	5	2	1	1
Don't know	24	33	33	14	17	28

Source: Drug Store News/Gallup Consumer Survey, 1988

Professional products continue to be one of the fastest growing segments in hair care this year.

Chart 26: Incidence of use: nail treatments

(Percent of women who have used a nail treatment product in the last month, by age groups)

	All women	13-17	18-24	25-34	35-49	50-plus
Used	29%	38%	39%	24%	32%	22%
Did not use	71	61	61	76	68	77

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 27: Frequency of use: nail treatments

	All women using treatments	13-34	35-plus
Use more frequently	33%	37%	30%
Use less frequently	18	18	17
Use about the same	49	45	53

Source: Drug Store News/Gallup Consumer Survey, 1988

Gallup: Nail treatments, artificials remain popular

In the nail care segment of color cosmetics, treatment products and artificial nails are two of the strongest growth areas.

Treatment sales are up 25 percent over last year at this time, buyers said, and although artificial nail sales are peaking, they still account for a healthy percentage of total chain drug nail care sales.

Oddly enough, the growth in popularity of the artificial nail has dramatically helped the treatment category.

As more women wear artificial nails and as they wear them more frequently, they tend to expose the nail bed to damage, and then they find they need nail treatment products to cure or prevent the problems.

So treatment sales, to a large extent, have been growing on the figurative coat tails of the artificial nail segment.

However, there are also lifestyle trends at work that help the treatment category. As many cosmetics buyers like to point out, many more women work today, and many of them like to glamorize their nails to give themselves a more professional and cosmopolitan image.

Women also say they feel better about themselves when their nails look attractive.

To some extent, the Gallup survey this year documents these trends. Gallup found that 31 percent of all women who use artificial nails said they are using them more often today than several years ago, while 24 percent said they are using them about the same.

However, Gallup also found that artificial nails may be starting to decline in popularity, as some chains are now reporting. Four out of 10 users, for example, reported they were using artificial nails less frequently today than they were several years ago. Just 16 percent of the women surveyed said they had used artificial nails in the past year.

Oddly enough, the growth in popularity of the artificial nail has dramatically helped the treatment category.

However, when women use artificial nails, the majority tend to buy the nails at retail and to put them on themselves. Only 21 percent of the respondents said they had their nails applied in a beauty salon, compared to 71 percent who said they applied them themselves at home. Just 6 percent said they did both.

The favorite retail brand was overwhelmingly Lee Nails. A total of 59 percent of the users responding said they preferred Lee Artificial Nails, and another 10 percent said they favored the Miss Lee Nails, which are designed for children.

When comparing usage of artificial nails to usage of nail treatment products, however, treatments turn out to be the most heavily-used segment. According to Gallup, 29 percent of all women surveyed used nail treatment products, and the heaviest user groups were women between the age of 13 and 24 and 35 and 49.

More than a third of all

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BEAUTY TRENDS

Gallup: Nail care

Chart 28: Favorite nail treatment product brands

(Breakout by age group)

Favorite brands	All women who use nail treatments	13-34	35-plus
Revlon	18%	17%	20%
Sally Hansen	18	24	14
Avon	14	14	13
Cutex	5	3	6
Maybelline	2	3	1
La Salle 10	2	1	2

Source: Drug Store News/Gallup Consumer Survey, 1988

Gallup: artificial nails, treatments

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women also reported using nail treatment products more frequently today than several years ago, while less than two out of 10 reported using them less frequently.

Revlon and Sally Hansen were tied neck and neck as favorite brands, while Avon was also often mentioned as a favorite.

Women in the survey most

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Chart 29: Incidence of use: artificial nails

(Breakout by age groups)

% of Women who have used artificial nail products in the past year	All women	13-17	18-24	25-34	35-49	50-plus
Used	16%	33%	37%	10%	13%	10%
Did not use	84	67	63	90	87	90

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 32: Where women have their nails applied

	All women using them
Self-applied	71%
Beauty salon	21
Both	6
No answer	2

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 33: Favorite artificial nail product brands

Favorite brands	All women who apply artificial nails by themselves
Lee Nails	59%
Miss Lee	10
Sally Hansen	4
Kristy Wells	3
Fingers	2

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 30: Types of artificial nails women are wearing

% of Women*	All women who used artificial nail products in the past year
Press-ons	18%
Sculptured	10
Nail tips	9
None	63

**Among women who use artificial nails*

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 31: Frequency of use: artificial nails

% of Women changing frequency of use of artificial nails over the past several years	All women who used artificial nail products in past year
Used more frequently	31%
Used less frequently	42
Used about the same	24
No answer	3

Source: Drug Store News/Gallup Consumer Survey, 1988

Chart 34: Where women most often buy nail products

(Breakout by age group)

Types of stores shopped	All women who use nail products	13-34	35-plus
Regular drug stores	29%	35%	24%
Discount drug stores, i.e. Drug Emporium	16	10	21
Discount mass merchandisers, i.e. K mart	16	11	20
Department stores, i.e. Macy's	8	9	6
Beauty salons	7	9	6
Food stores	7	7	7
Door-to-door	5	8	3
Mass general merchandisers, i.e Sears, Penney	3	4	1
Specialty stores	2	—	4
Mail order	—	1	—
Other	1	1	—

Source: Drug Store News /Gallup Consumer Survey, 1988

One treatment begets another in nail care

Eye on the Marketplace

Bernice Kanner

It was so simple in the days when Madge, the Palmolive lady, told us to soak our hands in dishwashing liquid. Nowadays, marketers of nail care products have other, far more complicated ideas.

In the "an apple a day keeps the doctor at bay" tradition, and with the help of chemists and market researchers, marketers are making the time-file-and-buff history, while ushering in the era of cuticle massage creams, night nail defenses, and protective coats and glazes that battle brittleness and breakage. Now, following the high-end skin treatment trail, there are dozens of new nail treatment products, dramatic increases in shelf and advertising space to sell them, and millions more tailored hands shelling out millions more dollars to the new Midases (but unable to undo shoe lace knots or pull on pantyhose fearlessly.)

Last year, products designed to lengthen, strengthen and beautify the horny plates that protect fingertips raked in $750 million, more than 50 percent more than their sales five years ago. By the end of this year, nail care product sales should reach $875 million, and by 1992 they should climb to $1.3 billion, said David Weiss, president of Packaged Facts.

Credit the new product avalanche, its domino effect and the new receptivity of self-confident women, said Weiss. More than 100 new nail care products were introduced last year—and even more are expected this year—compared to 31 in 1984. Many attracted new customers to the market.

Once in the market, many women added to their trove, voluntarily or otherwise. "Once women put on lacquer, they have to take it off, they focus on their hands, and that instigates a snowball effect where one treatment begets another," said Nick Mottola, director of marketing development at Elizabeth Arden. At the same time, so many of the products damage nails, (lacquers can stain and artificial nails can damage the nail beds) so women must turn to remedy products. "It's like after you've had your hair colored, you're forced to use repair products," said Mottola.

The fact that manicure madness has flourished in salons within the last few years suggests the home market will boom even more. This year some 160,000 technicians nationwide will manicure almost 81 million pairs of hands (at an average of $8.20), or roughly 9.2 percent more than the 74 million they manicured in 1987, says Jody Byrne, editor of *American Salon Magazine.* (They will also administer about 19 million pedicures at an average cost of $16.95.)

The ripple effect

Still, only two percent of women get a professional manicure weekly, 17 percent occasionally, and 81 percent never. "The ripple effect means that this year treatment sales should grow 20 percent and become, by itself, a $600 million segment," said Paul Spindel, vice president at Revlon. He added that the action is mainly in the mass market, bypassing the prestige lines which usually set the pace.

And what a pace it is. Max Factor's Second Nail, a nail saver launched last year, "is a runaway hit," declares product manager Sharon Levan. Nails Again, a $10-a-bottle, one-step restorative, has seen sales climb 180 percent since its introduction last year, prompting developer Raymond Cohen to promise a $27 cuticle mousse in September.

Cutex now has cuticle moisturizer and vitamin-packed nail developers. Cover Girl has hardeners and healers, including a ridge filler primer and glaze for tiny flaws and white spots. Revlon has an 11-product Neat Touch line which includes disco-pads (two-faced pink files) and black beauties (emery boards especially designed for fake nails), as well as an enamel correcting pen that erases errors and a calcium gel nail builder.

Avon's Ultra Touch line comes with mending tapes and a nighttime defense that "restores moisture to dry, distressed nails while you sleep." Chanel has instant thickeners, Christian Dior has lubricating oils, and Sally Hansen has Renew a Nail, night-time revitalizer, and Nail Therapy, a conditioning and repair gel.

Although treatments are the hot growth area, polish is the far larger segment and the reason people buy. Today's color customers insist on conditioners in the enamel, greater durability, and easy application, said Barbara Jasinski, group director of Cutex. In the meantime, however, they're glitzing up the enamel packages they have with custom glass, bread-faced bottles (instead of the typical round cylinder), and splashy graphics.

Ads tout more than colors

The manufacturers are advertising more than just the colors. Revlon touts its long lasting quality, color and shine, but also its pen delivery system. Maybelline shows a cue ball finish, and Max Factor—after excellent test market results—contends that its enamels are diamond hard. Avon argues that no lacquers wear better.

Perhaps more important now than segmenting sales is uniting women in the pursuit of treatments, suggested Spindel. "We want to get the message across that a treatment line is to the decorative end what a brush is to a comb, a horse to a carriage, even water to soap, that is, obvious coupling."

Bernice Kanner is a senior editor with New York *magazine.*

Fragrant scents stir today's youth toiletry purchases

By Irma Zandl

Fragrance is all-powerful for the young. Not only is it an integral part of looking and feeling good, it also figures predominantly in the purchase of toiletry items.

Many of the teens and pre-teens interviewed frequently mention Finesse shampoo and Secret deodorant as favorites because of their particular scents.

To find out which perfumes and colognes were turning young people on, we took a national poll of 100 young people aged 14 to 25.

We asked them a series of questions, including the following:

- What fragrances they were presently wearing;
- What they look for in a scent;
- How often they wear fragrances;
- Whether they are self purchases or gifts:
- Where they shop;
- How much they normally spend;
- Their preferences in terms of fragrances for members of the opposite sex;
- Ad recall; and
- What fragrances they were wearing a year ago.

These findings reveal two strong trends:

1. The widespread and growing popularity of upscale fragrances: Over 70 percent of the girls in our poll were wearing department store brands.

2. The vitality and potential of the men's market is finally asserting itself. Young men today are increasingly using more cologne as one way of enhancing their appeal. Also, over 50 percent of the female panelists had bought fragrances for their boyfriends.

Leading women's brands

Over 20 percent of the panelists were wearing Anais Anais. Poison was next in popularity worn by 16 percent of the panelists.

Kim, 17, from Newburgh, N.Y., wears Halston which she received as a gift from her parents.

Giorgio was third with 15 percent of the panelists saying they wore that scent; Lauren was favored by 13 percent of the panelists, and Obsession and Chanel No. 5 were each worn by 11 percent of the panelists.

The appeal of these brands is due to their originality and "differentness", in terms of their scents and in terms of their advertising and imagery. In all cases, there is also great consistency between these three elements. The typical drug store's ambiance is not conducive to selling luxury/fantasy products.

Alternative Designer Fragrances (ADFs) frequently are worn in conjunction with the expensive original. These brands are generally referred to by the original designer fragrance brand name.

Musk retains its popularity with this segment. Leading musk brands include Coty's Wild Musk and Love's Baby Soft, both worn by 8 percent of the panelists. Usage declines as the girls get older.

Key to any purchase is the way a fragrance smells. Precisely 28 percent of the panelists said they preferred a floral scent, while 26 percent said they favored a "sweet" scent.

Another 15 percent of the girls said they look for fragrances that are "light, not heavy", and 13 percent look for "soft" fragrances.

Self purchase vs. gifts

Self purchase of fragrances increases with age as does usage.

Almost 75 percent of the 20 to 25 age group use fragrance every day, compared to the 57 percent of the age group 16 and under who say they use a fragrance every day.

The under 16-year-olds also rarely buy fragrances for themselves. A mere 29 percent of them said they self-purchased fragrances. However, 35 percent of the youngsters this age do purchase fragrances as gifts.

By the time they are in the 17- to 20-year-old age bracket, 64 percent of young women are purchasing their own fragrances. They are also twice as likely as the younger group to buy fragrances for boyfriends.

Rich's, Macy's, Lazarus, and Belk's were among the department stores mentioned as frequent places of purchase for fragrances. In the drug store market place, Walgreens, SupeRx, Osco and Fred Meyer were mentioned.

Typically young women buy small to medium-sized sprays ranging in price from $30 to $40 for department store brands and they spend between $8 and $10 for the mass brands.

Brand Loyalty

Brand loyalty is built at a relatively early age, with most experimentation taking place among 18- to 20-year-olds.

For example, 80 percent of the 20- to 25-year-old age group had been wearing some of their current favorite brands a year ago, but only 50 percent of the 16- to 20-year-olds said they were wearing the brands they favor today as far back as a year ago.

Obsession had the greatest recall. Over 46 percent of our panelists remembered the Obsession ad and commented on its sexiness.

Poison was recalled by 31 percent of the panelists, but their ads particularly appealed to the majority of our panelists in the 12- to 16-year-old age group. Exactly 57 percent of the panelists in that age group remembered the Poison ads and said they were intrigued by the styling and the "gloomy mood" of the ad. Of the mass brands, only Coty's Wild Musk was recalled with any frequency.

Although nearly all the young women were able to recall specific brand advertising, there was found to be little correlation between recall and usage.

For example, Anais Anais, the leading brand among our panelists, had very little unaided recall. However, Obsession, which 11 percent of our panelists said they favored, was recalled by almost 50 percent of the panelists.

Men's fragrance market

Encouraged by their girl friends and by their mothers to wear fragrances, the majority of young men age 14 to 25 are now wearing cologne at least on a "special occasion" basis.

We see a radical shift in how men's grooming and primping is perceived.

Since today's young men routinely wear earrings, and bleach and dye their hair, the wearing of fragrances is no longer associated with a lack of manliness.

Again, and perhaps as a result of female influence, department store brands are favored by the majority of users.

Twenty-two percent of the male panelists said they usually wear Polo, 11 percent named Drakkar Noir and 8 percent said they wear Obsession For Men.

The most frequently mentioned mass brands included English Leather (worn by 11 percent), Chaps (8 percent), and Jovan Musk (6 percent).

Ad recall, other than for Obsession and Polo, is limited, as is the exposure of most young males to fragrance ads.

Irma Zandl is president of Xtreme, Inc., a New York-based consulting company specializing in youth marketing.

Teenagers become important people for chain drug stores

Teenagers are important customers for chain drug stores.

According to our Gallup cosmetic user survey implemented this year, 27 percent of all young women ages 13 to 24 buy moisturizing products in regular drug stores and 16 percent buy their styling aids in drug stores. One in every 10 cosmetic users ages 13 to 24 also shop discount drug stores for beauty products like moisturizers and hair styling products.

The study found that six out of every 10, 13- to 24-year olds use moisturizers and most women this age say they are using items like moisturizers more often now than they were several years ago.

In another study done by *TEEN* magazine in Los Angeles, researchers found other evidence of teenage use of cosmetic products growing in intensity.

According to the *TEEN* survey, teenagers are using makeup at earlier and earlier ages, and they are using an increasingly wide variety of products.

TEEN found that:

- 86 percent of all teenagers were wearing makeup by age 13; and
- 87 percent and more are currently wearing the following: face powder, blusher, lipstick, lip gloss, eye shadow, eye liner and mascara.

TEEN found that most teenagers were using these products "daily."

TEEN also discovered that about 67 percent of all teenagers wear different makeup for different occassions, and 50 percent change their makeup with the season.

Most teenagers, about nine out of every 10, *TEEN* says, purchase their own cosmetics or they specify to their parents the brand they want.

The *TEEN* survey also found that magazines are the primary media through which teenagers learn about cosmetics and cosmetic products. Friends are a "distant" second source of information while television is a far distant third for information on cosmetics and ranks sixth as a purchase influence.

TEEN found that 60 percent of all their respondents were 12 or younger when they first started wearing makeup, and that face powders, blush, eye shadow, eye liners, mascaras and lipsticks or gloss were the most frequently used products.

About half of all teens said they used these products seven times a week or more.

Nearly seven out of 10 of all the respondents also told *TEEN* that they wear different makeup for different occasions such as school, weekends and evenings.

- 57 percent said they changed their make up with the changing seasons;
- 76 percent, also say they wear more than one shade of eye shadow at a time;
- 24 percent said they use more than one shade of blush for contouring;
- 55 percent said they use a lipstick and pencil or a clear gloss together; and
- 90 percent estimated that they wore from between a light to a medium amount of make-up.
- 60 percent of the respondents said they had purchased cosmetics in a drug store at least sometimes; but department stores were also sometimes shopped for cosmetics, and 60 percent of the respondents said they had bought cosmetics in these types of stores.
- Only 23 percent said they sometimes shopped grocery stores for cosmetics and just 3 percent said beauty salons. Ten percent did buy cosmetics door to door, however, and 16 percent used mail order catalogs.

Two out of 10 said they also shopped beauty supply stores for cosmetics.

More than half of all teens said they usually spent between $2 and $4.99 a month on cosmetics, but a fifth to a quarter of the teens said they spend between $5 and $10.99 per month on cosmetics.

TEEN used a mail questionnaire for its survey. They had a response rate of 62 percent to a March mailing of 1200 questionnaires. They tabulated 500 responses to produce the results of their report.

Eighty-six percent of the responses came from young women ages 13 to 18, while 10 percent came from female children 12 and under. Four percent of the responses were from women 19 or older.

How teens use cosmetic products

Category	% using segment
Foundations	71.2%
Concealers	75.1
Powders	89.5
Blush	96.5
Lipstick	91.6
Lip gloss	96.8
Lip pencil	20.2
Eyeshadow	98.2
Eyeliner	90.5
Mascara	87.3
Brow pencil	10.4

Source: TEEN Magazine's TRG Research

Where teens buy cosmetics

Retail Segment	percent of respondents
Drug stores	59.1%
Department stores	59.4
Grocery stores	22.7
Beauty supply stores	22.7
Mail order	16.2
Door to door	10.2
Beauty salons	3.0
Other	3.5

Source: TEEN Magazine's TRG Research

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Chart 35: How nail product shoppers pick their stores

(Breakout by shoppers)

Reason for shopping this store the most often:	All women using nail products	Regular drug store shoppers
Convenient to home or work	38%	46%
Lowest prices	36	34
Selection and variety	12	12
Only place to carry my brand	8	7
Good service	5	—

Source: Drug Store News /Gallup Consumer Survey, 1988

Chart 36: What drug stores can do to be better places to shop for nail care products

Give:	All women who use nail products	13-34	35-plus
more competitive pricing	18%	18%	18%
more variety and selection	15	16	13
better brands	8	5	10
more convenient location	6	2	10
better service	5	1	8
more samples	4	5	4
more colorful displays/use more point of purchase aids	2	3	1
faster checkouts	1	1	—
a less hectic environment	1	1	—
Nothing; fine as they are	20	19	20
Other	2	3	—
Don't know	21	25	17

Source: Drug Store News /Gallup Consumer Survey, 1988

Gallup: artificial nails, treatments

Continued from page 84

often named drug stores as the store they shopped the most frequently for nail products. Discount drug stores and discount/mass merchandise stores were also popular places to shop for nails, especially for women 35 and older.

Convenience, price and selection were the reasons most women gave for choosing a favorite store, but service was not an important issue with most nail care shoppers.

There were two things that nail product buyers said they would like drug stores do more of: "price more competitively and carry a broader selection of product."

A fifth of the respondents said drug stores didn't have to do anything else to be more attractive places to shop. They were "fine as they are."

Category in Motion

Helene Curtis has scheduled a series of promotions to celebrate the 50th anniversary of its Suave hair care line.

A two-page, full-color FSI will run in late July, reaching 43 million consumers nationwide with savings of more than $86 million dollars.

The insert's "Celebrate with Suave" theme offers four 50-cent coupons for the entire family of Suave products.

In addition, Suave is also offering a $2 cash refund to consumers purchasing any combination of two Suave products, including 24-ounce shampoo or conditioner, 15-ounce skin lotion, 12-ounce hair spray, or 8-ounce mousse.

Consumers can find additional savings if they take advantage of 25-cent cross coupons, which will be good toward the purchase of any Suave anti-perspirant/deodorant or Suave styling aid.

There are instantly redeemable coupons that will be featured on Suave Shampoo and Conditioner in July and August. Prepacked pallet and floor displays are also available for the summer.

Television ads are planned for daytime and prime time programming throughout the summer of 1988.

Print ads ads in leading women's magazines will also support the Suave anniversary message.

That's what STIFF STUFF® products from Modern Research Laboratories have been giving those "old reliable" hair care lines in chain and independent drugstores across the country.

Why are STIFF STUFF, SLICK STUFF,™ THICK STUFF,™ VITA STUFF™ and NAIL STUFF™ winning the challenge? Because Modern Research has a game plan customized to the youth market's needs:

- Professional-quality products with low retail price points
- The firmest-holding styling and finishing products in demand for today's trendy looks
- Vibrant, colorful packaging supported by eye-catching, action-oriented POP materials
- A full line of hair care, including desirable travel sizes and new line extensions which include shampoo and FIXX STUFF™ Controlling Hair Organizer
- A stepped-up schedule of national print and television advertising, supported by concentrated PR placement

What does this add up to for you? Fast shelf turns, high profit margins, and high-volume repeat sales.

Find out how the STIFF STUFF family of fine hair care products is sending all those lackluster lines down for the count. And how you can "stiff" your competitors. Contact the Modern Research Laboratories distributor in your area today!

FIXX
STUFF
THICK
STUFF
NAIL
STUFF
Filing Disks
2
THI

P R O T U R A • P R O

Avenue Road design paves the way for Shoppers

Beauty
Beat
Elizabeth
Parks

Shoppers Drug Mart is revamping its prototype for new stores, and in the process, adopting a new decor package and store layout meant to highlight cosmetics while bringing the stores "into the 1990s."

Last year, Shoppers opened a store on Avenue Road in Toronto that Shoppers execs say will probably be the prototype for most future Shoppers, as well as the prototype for most remodels of all "A" stores in the Shoppers chain.

The Avenue Road store, a high-volume "A" store in an upper income market, has a new signing package: new corporate interior and exterior colors of red and white, and a new layout and design for cosmetics.

Arthur Konviser, vp-public affairs for Shoppers Drug Mart, says the new colors are "very professional. They make us look like an exciting retail entity."

The "A" prototype design eliminates the side entrance that Shoppers used to have for all its stores. In place of the side door, Shoppers will now have a central entrance with a lobby.

In the old design, customers entered the store and walked right into the power aisle. The cosmetics department was in the center of the store, but customers had to go down the power aisle and then back to the center to get to cosmetics.

In new and in most retrofitted "A" stores, the entrance will now lead right into cosmetics. In some stores, Shoppers may continue to open with their power wall of health and beauty aid products. A final decision has not yet been made.

"We always did try to single out the cosmetics department," says Konviser, "but this new design makes the department even more prominent."

The old cosmetics department was black and white, with a lot of chrome, dark tinted mirrors, and photographs of models as graphic elements.

The new cosmetics department will be all white.

Bill Pacey, Shopper's vp-operations, describes the old department as "being more of the '60s. We used modified off-rack fixtures that looked like they could be any store fixture anywhere.

"We're now going with a fixture that will be unique to Shoppers and at the same time look like it is dedicated to a service cosmetic department," said Pacey. "It's a look that's made to work the way we do."

Pacey said the photographs will be eliminated because they "date very rapidly, and because they feel more like a design element of the '60s rather than the '80s and '90s."

Shoppers will now use a fixture made of light metal louvres and low voltage lights as an overhead for the department.

"We wanted an overhead in cosmetics so we could make the statement that cosmetics were special in our stores," Pacey said, "but we wanted it to be simple, not like the photos that could detract from the products."

"We also wanted to put in incandescent lights so we could highlight the products and their various colors, but we went with low voltage because it could give us energy cost savings," said Pacey.

The service cosmetic bullpens at Shoppers, which are in nearly every store, will go directly under the overhead louvre.

Shoppers will also create lower profile gondolas in the cosmetics area. The chain will eliminate the four 72-inch display "towers" that anchor the rectangular cosmetic boutiques.

They will be replaced by towers of the same height, 36 inches, as the counter.

Barbara Brocklebank, Shoppers vp-cosmetics, explains that "giving such a high profile to promotional items created a cluttered presentation. The displays were so high, we tended to put a lot of product in to fill them, and that meant that no brand really stood out. As a result, the displays had no brand identification.

"Now we're going to be able to highlight specific brands in each promotional corner," she said.

Shoppers is also testing new fixtures from Revlon and Max Factor, and Brocklebank said that "whenever there is space, we will probably use one or both of them in new and remodeled stores. They give us the opportunity to merchandise these lines together instead of partly on the wall and partly in the cosmetic case."

Brocklebank says shoppers will probably retrofit 50 new prototype stores this year, and about the same number in 1989. She says the upgrading will continue "on a regular basis."

Pacey said that in the four months since the "A" prototype has been in the Avenue Road store, the cosmetic department has been averaging between 10 percent and 12 percent of total store sales. Cosmetics usually average about 9 percent of store sales, so the increase is a significant accomplishment.

A *Drug Store News* exclusive: Vereen tracks skin care ads

The information in this skin ad tracking report was supplied by Vereen & Associates, a management and marketing consulting company based in Indianapolis.

Vereen & Associates currently tracks 100 percent ad activity on 40 drug store product categories. The service currently monitors the print ads of most of the nation's top 45 drug chains.

The information in this chart may be used to identify the most frequently promoted brands in the skin care category, and also to compare the most recent advertised prices on popular brands by chain and by market.

The ads in this special report appeared in newspapers and circulars in the fall of 1987.

Vereen's definition of the skin care category included bath soaps and bath beads as well as lip balms, moisturizing creams and lotions, sun care products, and medicated creams and lotions.

Chart 1: Chain drug store's most frequently advertised skin care brands

Brands	Category	Percent of all skin care ads
Neutrogena	Lotions and creams	5.0%
Oil of Olay	Lotions and creams	5.0
Vaseline	Lotions and bath beads	5.0
Soft Sense	Lotions and body mousse	4.2
Jergens	Lotions and soaps	3.9
Noxema	Acne medication/cold creams	3.3
Keri	Lotions	3.0
Nivea	Lotions and creams	3.0
Chap Stick	Lip balm	2.4
Sea Breeze	Sensitive skin care	2.1
Clearasil	Acne lotion	1.8
St. Ives	Skin lotions, creams and toners	1.8
Oxy 10	Acne medication	1.8
Eucerin	Lotions and creams	1.5
Total for above brands as a % of all chain drug skin care ads		43.8%

Source: Vereen & Associates; research conducted in fall, 1987

Chart 2: Chain drug store ad prices for skin care products

Brand	Size	Chain	Ad price	Market
Jergens Reg./extra dry	10 oz.	Pay 'N Save	$1.69	Calif. and Wash.
Jergens Reg./extra dry	10 oz.	Page Drug	1.49	Texas
Keri Reg./scented/silky	13 oz.	Page	4.99	Texas
Keri Reg./scented/silky	13 oz.	Peoples	5.99	Washington, D.C.
Neutrogena Emulsion	5¼ oz.	Rock Bottom	3.84	N.Y.
Neutrogena Emulsion	5¼ oz.	Peoples	3.99	Washington, D.C.
Nivea Visage	2 oz.	Super Service	5.29	Ohio
Nivea Visage	2 oz.	Eckerd	4.88	Fla.
Oil of Olay Beauty Fluid	4 oz.	Bud's	3.99	Washington, D.C.
Oil of Olay Beauty Fluid	4 oz.	Fay's	4.44	N.Y.
Oil of Olay Beauty Fluid	4 oz.	CVS	4.37	R.I.
Soft Sense Lotion	15 oz.	Walgreens	2.19	Ill.
Soft Sense Lotion	15 oz.	Osco	2.19	Ill.
Soft Sense Lotion	15 oz.	Drug Mart	1.99	Ohio
Vaseline Intensive Care Lotion	20 oz.	Longs	2.69	Calif.
Vaseline Intensive Care Lotion	20 oz.	Bud's	1.99	Washington, D.C.

Source: Vereen & Associates

Deep discount drug stores like Drug Emporium (right) have a double appeal to shoppers: they discount the best selling brands and they merchandise the best sellers in a clean, attractive department, plus they often provide service assistance to shoppers trying to decide what to purchase.

Specialists sought for aggressive photo marketing

With average sales increases of 10 percent for their photo-video departments in 1987, and camera and film manufacturers keeping the heat on in their quest for new product breakthroughs, the nation's drug chains continue to reap the rewards of the amateur photography boom of the 1980s.

Photofinishing, film and camera sales remain on the rise at chain drug store photo counters, in spite of the growth of one-hour minilabs and the increasing incursions of supermarkets and discount stores into the photofinishing market.

Nevertheless, say drug retailers, the days of automatic sales increases at the photo counter are over. More and more drug chains are turning to photo marketing specialists to drive their photo services more aggressively, creating or expanding positions for photo department marketing managers and boosting advertising support for the category.

"Those who promote aggressively, offer convenient locations and market quality in their photofinishing, as well as price, will do well," said one photo marketing manager for a major drug chain.

"The business is more and more competitive," added another chain executive.

Supermarkets, in particular, are making greater inroads in photofinishing and film, and many are beginning to market cameras as they broaden their reach with combo stores and superstores.

Another aggressive photo retailer is King Soopers, the leader in food and drug retailing in Denver, with 67 combo stores operating along Colorado's Front Range. The chain opened its own photo processing plant 15 years ago, and remains the only supermarket retailer with its own large-scale developing facility.

King Soopers makes a point of advertising that fact, according to photo marketing manager Pat Greaser. Last month, it even featured a photo of its plant crew in its regular ad circular.

"We definitely believe in what we've done," Greaser said. "With our own developing plant, the profitability is there, and we can offer better service to our customers. We have total control over the quality of our prints, and more control over photo marketing events we want to create. Having our own plant gives us more promotional flexibility; we're not restricted like we would be with an outside wholesaler."

It also allows King Soopers to undercut many of its competitors in developing prices. For the chain's regular, one- to three-day service, processing for a roll of 24-exposure 35mm or 110 film carries an everyday price of $3.79. Developing price for a 36-exposure roll is $4.99; disc film is processed for $2.79.

The chain also offers rapid one-day service in all stores, seven days a week. The cost is just 50 cents extra a roll. (At the same service counter, King Soopers customers can also rent videos at all 67 stores).

On-site processing is also being unveiled by several grocery chains, including Safeway, Kroger (in its new Welcome super warehouse store), and Publix. While Publix owns and operates its own in-store labs, Safeway relies on an outside specialist. The chain leases store space to Your Image Center, a minilab operator based in Walnut Creek, Calif., which provides Safeway with prefabricated booths of about 200 square feet, staffed by an employee of Your Image Center.

The system is similar to one employed in a short-lived, two-store test of on-site minilabs by Longs Drug Stores in Redwood City, Calif., several years ago. Although the project was abandoned as too costly and unprofitable after a short time, Longs is among many drug chains which are again considering in-store labs, now that equipment prices have come down and labs have become easier to install and operate.

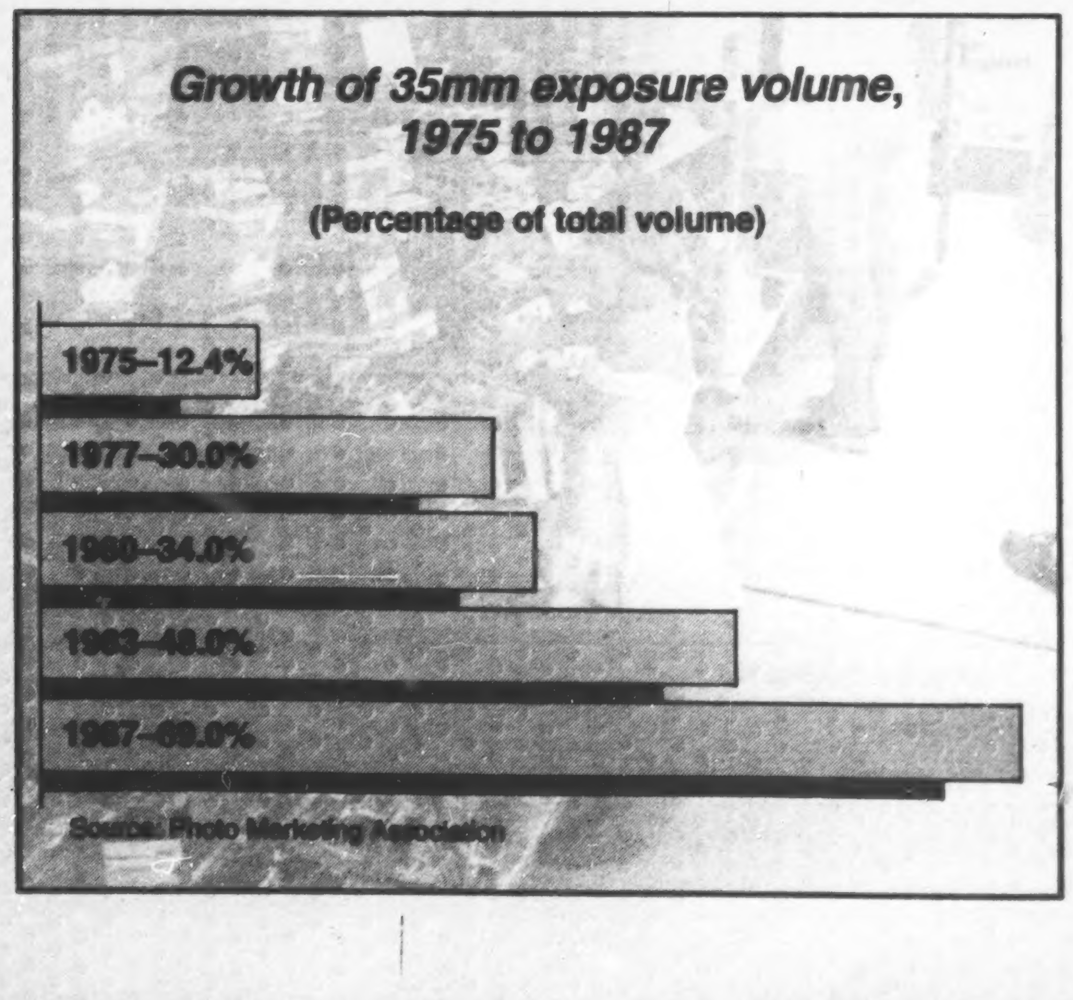
Publix has opened a dozen in-store labs in newer and larger combo stores in its home Florida market, offering the on-site developing service at a discount to its outside, longer-term lab services. A Publix spokesperson said that outside lab volume has gone up 30 to 35 percent in stores which offer the one-hour on-site service, due to the increased customer awareness the high-profile in-store labs generate. Publix has also boosted its 35mm customer base in stores with mini-labs, she added.

Discount stores are also getting more aggressive in their approach to the photo market. K mart, for instance, now reportedly accounts for 15 percent of all photo retail business in the U.S. Both K mart and Zayre now offer in-store mini-labs in some sites.

Photo Pl
MANAGER'S SPECIAL
4.00
SeaWorld
Catch the fun on Kodak film.
Kodak The Official Film of SeaWorld
Save up to $15
SeaWorld

Retailers have opportunities to build film volume by tying into manufacturer promotions, such as the above free product with purchase floorstand at Page Drug, Dallas.

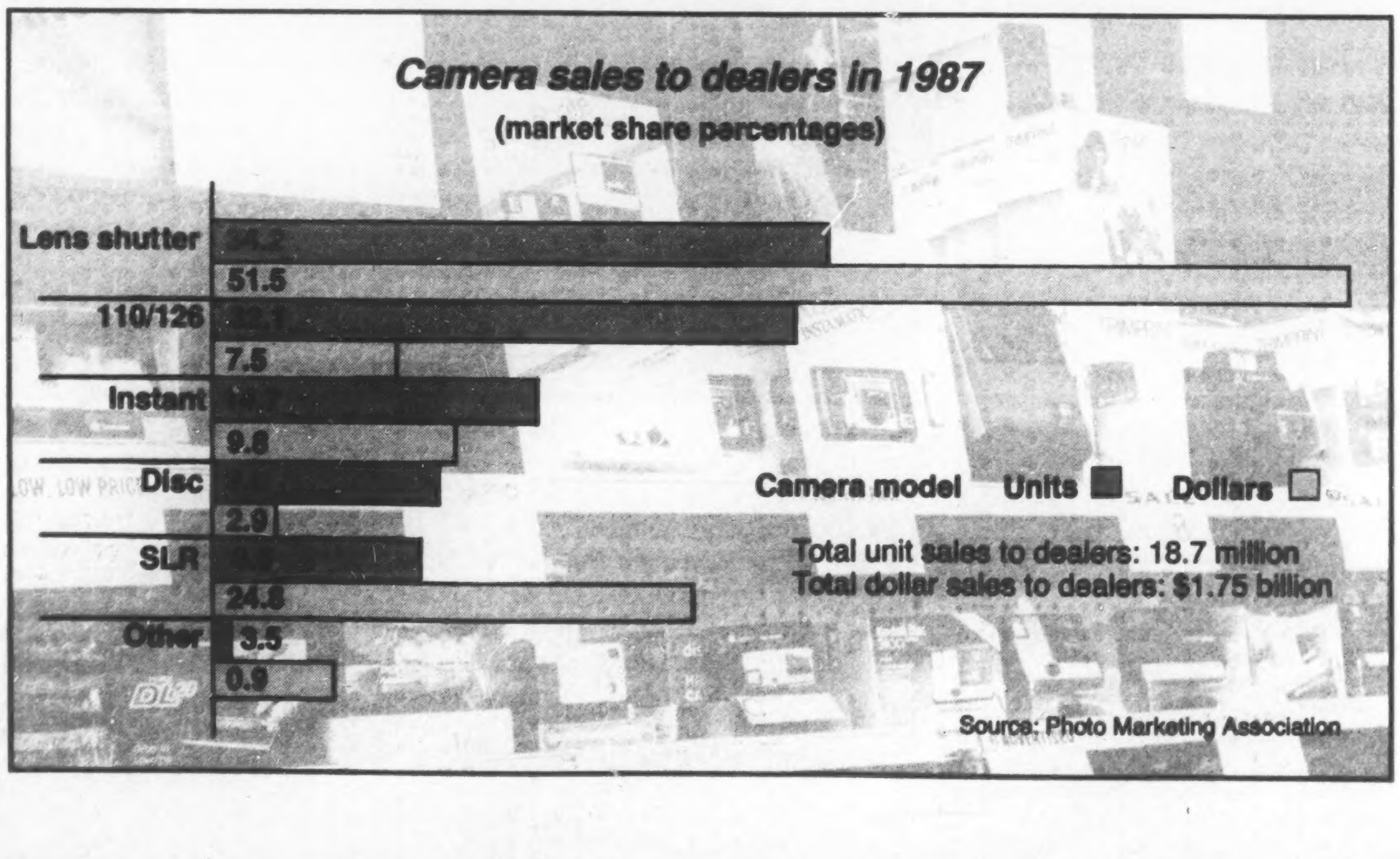
Highly defined service camera bar at H. E. Butt combo in San Antonio, Texas, encourages shoppers to drop photofinishing orders and buy cameras and accessories at prices that far exceed the mix at many drug stores.



Growth of 35mm exposure volume, 1975 to 1987

(Percentage of total volume)

Source: Photo Marketing Association



Camera sales to dealers in 1987

(market share percentages)

Total unit sales to dealers: 18.7 million
Total dollar sales to dealers: $1.75 billion

Source: Photo Marketing Association

Innovative battery promotions charge drug store sales

Drug stores have gained high-voltage boosts from the charged-up battery market. They're adopting new products and display systems, and drug merchandisers anticipate that they will pay off as vendors maintain their high levels of promotional and advertising activity in 1988.

Market share leader Eveready has set the pace in innovative promotional programs. In its "Energizer Power Check" promotion, Energizer spokesman "Jacko" will visit high-traffic public areas to check battery-using devices for Energizers, and award cash and prizes.

Eveready's "Change your clock, change your battery" fire safety promotion will encourage consumers to change the batteries in their smoke alarms and flashlights, when they change their clocks for daylight savings time on Oct. 30. It will be heavily backed by in-store merchandising, publicity and advertising.

Chain buyers say they're looking for record levels of promotions and advertising from Duracell, Rayovac, and Kodak, as well as televison ads, and rebate programs that support stores sales.

Panasonic, carried by Rite Aid, is emphasizing trade advertising, that includes advertising of its rechargeable batteries.

Meanwhile, a plethora of battery-operated toys and electronic items that use batteries by the handful are keeping demand at a high pitch. A typical boom box radio can use up to 12 D-size batteries, for example. A remote control toy car will use six to eight AA batteries and two nine-volt batteries.

Dollar sales are growing in part from increased market share of higher-ticket alkalines, and also from increased sales of heavy duty batteries.

More accessible displays help increase sales, too, as at Rix Dunnington, which is considering bringing batteries out from behind the counter.

"I think we could do twice as many sales out from behind the counter," said Rix merchandise manager Barbara Donnellan. Donnellan has considered using a Duracell wing rack to grab impulse sales.

Rix avoids multipacks to save space in its typical 4,000-square-foot to 5,000-square-foot stores.

Donnellan feels the low price points of general purpose batteries makes them attractive for some uses. The product segment has recently posted 100-percent sales growth with the chain.

Consumer demand for batteries hits New Orleans-based K&B Drug Stores with gale force during the hurricane season, providing ample opportunity for sellthrough. K&B carries all the major brands and mounts regular promotions, said buyer Norman Currier.

Currier has his best success with a hurricane endcap promotion he has run with Duracell for the past two years. The promotion couples batteries with such items as flashlights, bottled water, tape, and candles in its coastal stores.

Eveready may be a second participant this year, Currier noted.

K&B also is testing Rayovac's new checkout pack merchandising system in most of its stores. Rayovac has used the system to gain major penetration in the discount store channel with such chains as K mart and Wal-Mart using the gravity feed and wire rack systems.

At or near stores' checkouts, the system will require months of evaluation, Currier said.

Currier feels Kodak's new floor stands pairing batteries with film look attractive, particularly since Kodak will launch heavy battery televison advertising for this year's Olympics.

With the Energizer and Duracell lines, Douglas Drug stays with packs of four-counts and below, after having found, "you almost have to give (multipacks) away to make them fly," said buyer Paul Chabot.

Although in-and-out promotions of Kodak batteries backed by rebates have produced results, Chabot feels they may be unnecessary since Duracell and Eveready match Kodak's rebating with their own programs.

"To get the best buys, you have to promote once a quarter," notes Bartell Drug's buyer Paul Lofgren, whose four-count pack and under assortment is powered by the twin pack C's and D's, and AA's and AAA's of Eveready, Duracell, and Kodak.

VIDEO
READY
Cool-Ray

Different battery brands anchor consecutive endcaps in this Austin Drugs unit, located in Plainview, N.Y.

Profile of a heavy battery-using household

Young married couple

. . . with children 6 to 12 years old

. . . and with young adults ages 13 to 20

Consumes 96 batteries per year

Source: Rayovac

Two brands dominate market share battle

(retail share of alkaline and heavy duty batteries in food, drug, and mass merchant outlets, Nov.-Dec. 1987)*

Eveready	36.2
Duracell	29.2
Rayovac	12.0
Kodak	3.8
General purpose batteries	12.8
All others	6.0
Total	100.0

* Food, drug and mass merchandise stores accounted for 61 percent of all battery sales in the period measured.

Source: A.C. Nielsen

The six most advertised battery SKUs

(by the top drug chains, March 1988)

Type	% of total battery ads
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Steady battery industry growth continues*

(percent increase from previous year)

	Units	Dollars
1983	6.1%	12.8%
1984	5.3	8.8
1985	5.0	8.3
1986	5.6	9.4
1987	5.0	8.5
1988	5.4	8.7

*The trend to higher-priced heavy-duty and alkaline grades has caused dollar sales to exceed unit sales.

Source: A.C. Nielsen and NFO Consumer Purchase Diary

Drug store battery market share grows

	1982	1987
Discount	32%	34%
Food	24	29
Drug	17	18
Hardware, home center, lumber	6	9
Others	21	10

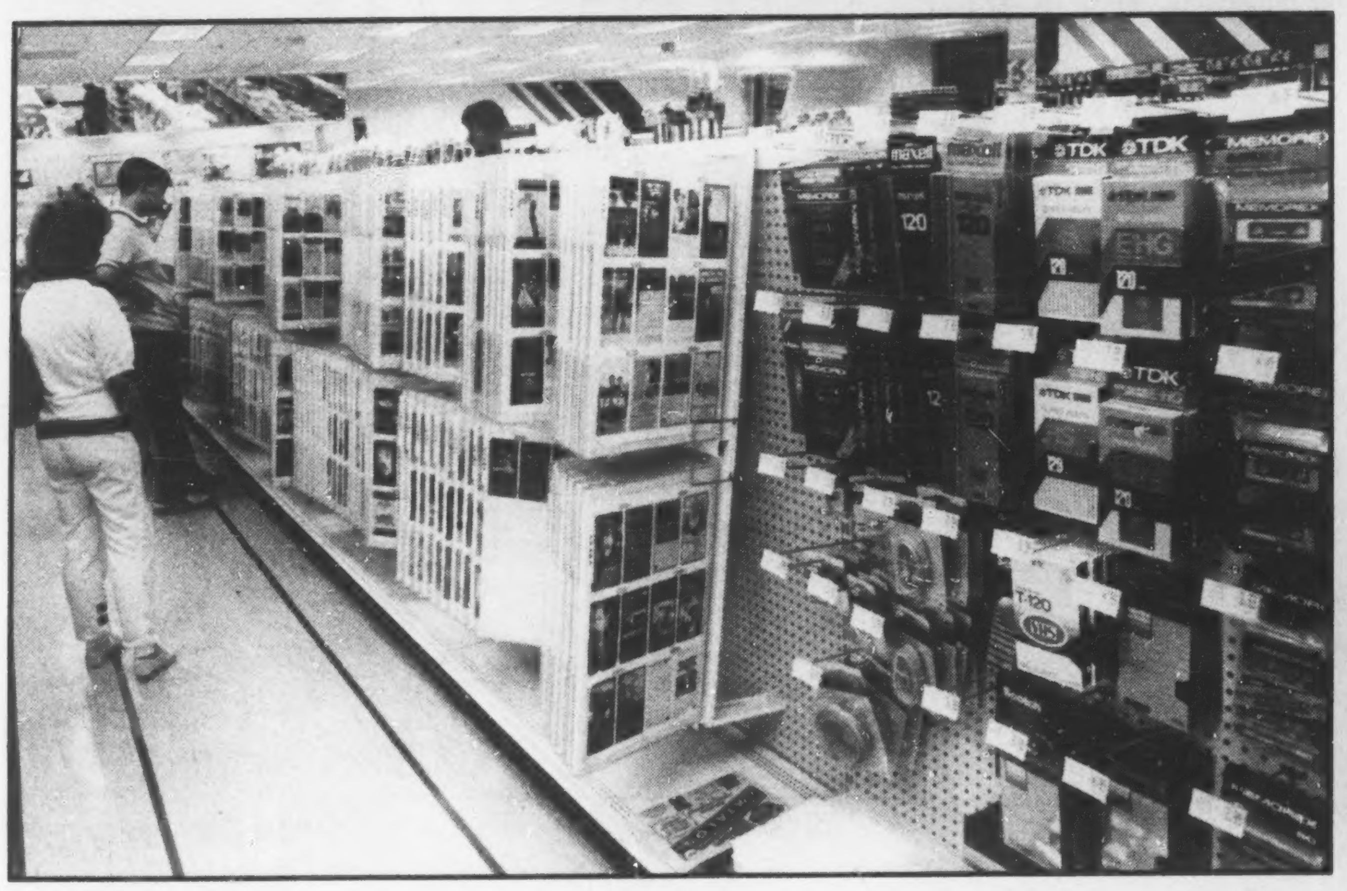
Source: NFO Consumer Purchase Diary

Toys, games, and portable audio devices generate more battery purchases

(percent of batteries bought to power specific devices)

Item	1982	1987
Radios	17%	12%
Cassette recorders	7	10
Radio cassettes	4	8
Toys/games	19	21
Flashlights	21	16
Photo	10	12
Clock	3	4
Remote controls	1	5
Calculators	6	3
Smoke detectors	2	3
Lanterns	1	1
All others	9	5

Source: NFO Consumer Purchase Diary



Self-selection of rental tapes is most encouraging to multiple rentals, as at Rite Aid, Camp Hill, Pa. Blank tapes and cables are pegged in same aisle for impulse replenishment sales.

KING SOOPERS VIDEO
ADVENTURE
ADVENTURE
COMEDY
VIDEO
VIDEO

Clear delineation of title type and small fixtures enhance browsability of video rental titles at King Soopers, Aurora, Colo.

Competition grows on the movie rental marquee

*Prerecorded videotape retail market share, 1987**

Outlet	Share of market
Video specialty stores	50.0%
Mass merchandisers	11.0
Record stores	9.5
Book stores	9.0
Convenience-grocery	7.0
Direct mail	6.5
Toy stores	3.0
Drug stores	2.0
Appliance, other	2.0

*By unit shipments

Source: EBM Market Research estimates

Drug chains which have ventured into the movie business through the sale and rental of prerecorded videotapes are facing some tough sledding. More and more, they are up against large-scale, sophisticated video specialty stores which have already forced many smaller video vendors out of business and carved out the lion's share of the rental market in many cities.

"The video rental market continues to be in a state of flux," reports the Photo Marketing Association in a classic case of understatement. "While rental revenues on prerecorded videocassettes climbed 20 percent in 1987, to $4.4 billion (retail), retailer attrition marches on."

It's no secret that the market for blank and prerecorded videotapes is rife with competition and littered with business failures. It is also no secret that profits on sales and rentals—which were once easy to come by—are under increasing pressure, as more and more competitors battle for share.

But the biggest development affecting the video rental market over the past two years has been the consolidation of the industry, as a handful of chain video giants like Blockbuster Entertainment gobble up former competitors and push aside smaller, independent operators. Blockbuster, on its way to market dominance, has grown to nearly 350 outlets nationwide with its recent purchase of Major Video, and is opening new stores at the rate of about three each week.

"The superstores will dominate the industry," observed one market analyst recently.

Nevertheless, the sheer size of the market continues to lure almost every retail trade class into the video business. This year, combined sales and rentals of prerecorded and blank tape will approach $7 billion, according to an industry forecast by Paul Kagan Associates. Battling for rental business alone will be nearly 70,000 retail outlets—including some 25,000 video specialty stores and 45,000 other outlets, including drug stores, which have entered the fray. Compounding matters is the fact that the promotional price on blank videotape has plummeted to $3 or less in many areas.

Scotch
Scotch
Scotch
Scotch

Blank videotape promotions by manufacturers enable drug stores to blow out quality brand names at sharp prices, as at Page Drug, Dallas.

"It's anyone's guess how one can remain profitable in this industry," observes the PMA in its most recent industry report.

Blockbuster and other large-scale video specialists have quickly gobbled a large share of the rental market through aggressive expansion and a huge commitment of capital for inventory. In giant, conveniently located settings, they offer 10,000 or more movie titles, including dozens of copies of the hottest new movies, compared with the average offering of 1,000 to 2,000 offered by most other operators, including drug chains.

Service merits a higher fee

For this, Blockbuster now pays $89.95 or more for the hottest new titles, recouping its investment with higher-than-average rental prices of $3 aimed at high customer traffic. Customers, it has been proven, are willing to pay more than the current average rental price of $2.02, if they have a good chance of finding a tape they want and keeping it longer than one day—two conveniences Blockbuster specializes in.

Coupled with growing competition from heavyweights like Blockbuster, drug chains must now battle a perplexing array of non-specialty video centers to gain market share. Some powerful examples include Southland Corp.'s 7-Eleven—which now offers 99-cent overnight rentals in at least 6,500 of its convenience stores—and Phar-Mor, the expanding off-price chain which has introduced 69-cent overnight rentals on a few hundred fast-turning titles in some of its newest outlets. Both operators key in on the convenience aspects of the business, sacrificing margins for a boost in store traffic.

Another sticking point has been the rising cost of "A" movie titles—the most popular new releases. Prices on "A" titles have risen to $89.95 on average, squeezing margins further for vendors who depended on low rental prices to compete. The high movie prices also pressure drug chains, which can't commit the capital for more than a few copies of each hot title for each store, but can't get along without the "A" offerings, either.

The reason is obvious. Of the 300 new feature films released by the 14 major home video suppliers in 1987, the 78 best-sellers accounted for fully 65 percent of all revenues, according to Rand Bleimeister, Nelson Entertainment executive vp. According to one study, video retailers already lose 2 million rentals a week because consumers can't find the movie they want.

Despite the increasing competition, industry consolidation and high inventory costs, a number of drug chains have followed industry pioneer Rite Aid into the movie rental business, and blank tapes have become an indispensable part of the drug store mix. For drug retailers, the rental business must serve as a traffic draw and customer convenience as well as a profit producer. Chains like Walgreen's, Randall's Food Markets and Wellby have successfully welded a limited video selection in some stores onto their photofinishing departments by holding down overhead and, in some cases, by leasing tapes instead of buying them outright.

Bob Gowens, executive vp-finance and administration for Randall's, argues that video rental centers can be very profitable and a good traffic builder if retailers prepare the proper groundwork. Many questions about inventory levels, variety and turnover can be answered by studying the small equipment or home appliance rental business, Gowens said. In addition, he added, retailers should develop financial models and make philosophical decisions about the kind of movies they want to carry.

The 'R' world

"You must decide how far you will go into the 'R' world," Gowens said. "The movies you rent make a public statement of who you are. . . we want our video center to be family-oriented."

One recent entrant into the movie rental business is Discount Drug Mart, the 26-store chain based in Medina, Ohio. "We're getting into videotape rentals, with about seven or eight stores to begin with, as another customer convenience," said Dennis Wieland, vp-finance. "We plan to offer current movies at $1.99 and 99 cents, along with 69-cent specials."

Drugs Plus in Dallas, Cullum's new deep-discount store, discounts school and office supplies one-third everyday. About three-fourths of the 28-foot stationery department is given over to home office supplies. Greeting cards get 88 feet, cross-aisled, at an everyday 40-percent discount.

Home office/stationery promotion ads: Brands with most exposure, April 1988*

Brand	Product	% of ads
Binney & Smith	Crayons	2.7%
Empire	Erasers, pencils	6.5
Mead	Envelopes, notebooks, portfolios, tablets	5.3
Stuart Hall	Envelopes, folders, notebooks, legal pads	7.1
3M Scotch products	Tapes	9.4

*Includes mainly circular ads from such chains as SupeRx, Walgreens, Eckerd, Snyder, Giant, Arbor

Source: Vereen & Associates

Longs downsized store in San Diego devotes a mid-store valley to stationery, which includes a wide assortment of binders and pegged writing instruments. Shelf dividers keep paper goods neat.

Percentage of drug chain advertising given to home office/stationery over a four-month period

	Drug chains	Discounters	Food stores
January	6.9%	5.2%	6.4%
February	3.0	4.6	2.8
March	2.3	4.6	1.5
April	2.0	3.5	—*

*So few items as to be insignificant

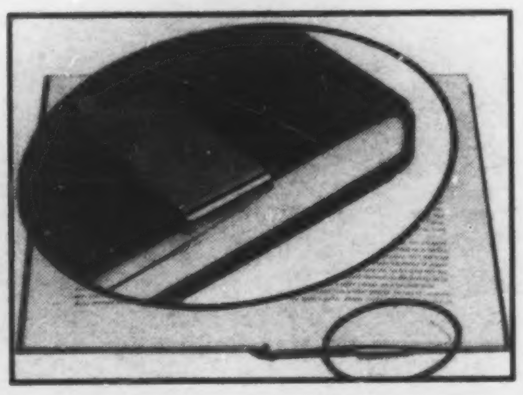
Source: Vereen & Associates Inc.

Keep track of important cards

A new line of business card file-books that fits into a briefcase or travel bag has been introduced by Lion Office Products.

The File 'N View Card Organizers provide an at-a-glance reference. They are made of special polypropylene material to eliminate ink transfer from the cards. Full page clear pockets are incorporated on the inside of both front and back covers, providing space for notes or memos.

Lion Office Products, 401 W. Alondra Blvd., Gardena, Calif. 90248.



Turn over a new leaf

Tabnic Enterprises announced the Pagekeeper, a bookmark that automatically keeps pages down. The spring-activated bookmark can be placed in the book upon reading, and the page is always marked, even if the book is placed down or dropped. The product fits paperback or hardcover books and is available in six colors: rose, yellow, peach, gray, blue and black. SRP is $3.98.

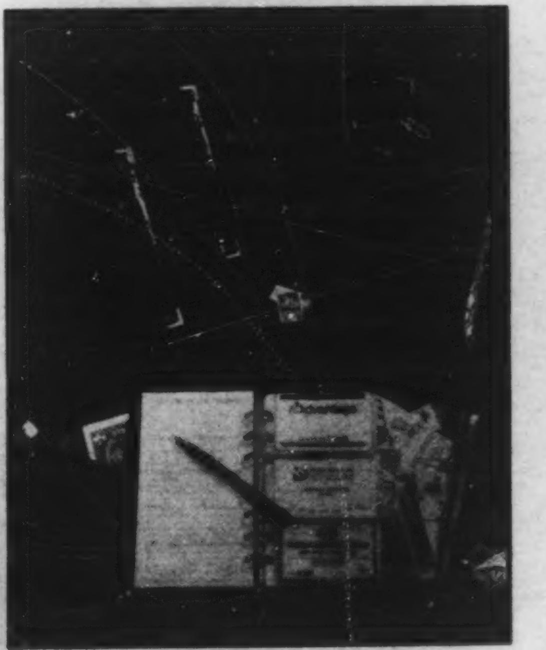
Tabnic Enterprises, 6815 Byron Holley Road, Byron, N. Y. 14422.

ROTEX
REPLACEMENT RIBBONS
& LIFT-OFF TAPES

Two displays for typewriter ribbons

International Rotex recently announced two new displays to round out its offering of typewriter ribbons. Display #340R contains an assortment of 92 typing ribbons and correcting tapes, and display #341R contains an assortment of 42 ribbons and correcting tapes. They can be used in most popular manual, electric and electronic typewriters, according to the manufacturer.

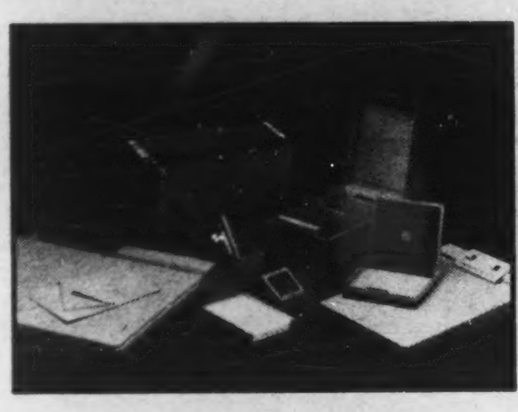
International Rotex, Marketing Dept., P.O. Box 20697, Reno, Nev. 89515.



Organize and file business cards

Design House has added the Business Card File and Address Book Binder (model 627) to its Accent Collection bonded leather line. Each features tabbbed index sheets, 12 plastic sleeves to hold up to 72 business cards, and 40 address pages. The binder is available in both Baby Gator and Jungle Gator patterns. SRP is $30.00.

Design House, 185 W. Englewood Ave., Teaneck, N.J. 07666.



Design-a-Space line is portable

Rubbermaid's new Design-a-Space Home Office line is geared to "work where you work" for portable use. New products include the Portable Desk, Diskette Storage File, Disk Case, and Storage Clipboard. The Diskette Stoarge File offers protection for up to 50 5¼-inch diskettes. Four movable dividers with index tabs help organization. SRP is $9.95.

Rubbermaid, 1147 Akron Road, Wooster, Ohio, 44691.

Manage thyself

Dac Software's Hold Everything! personal information management system, compatible with Dac-Easy Word, features a Fast Finder, KeyWord search, custom reports and input screens. SRP is $99.95.

Dac Software, 17950 Preston Road, Dallas, Texas 75252.

K mart adds heat to office supply market

TROY, Mich. — K mart Corp. plans to enter the proliferating office supply specialty store business with a warehouse-type format to be called Office Square. The first of the 25,000-square-foot stores is expected to open this summer, but its site and opening date have yet to be determined, according to a K mart spokeswoman.

Developed by Builders Square, K mart's San Antonio, Texas-based subsidiary, Office Square will offer 10-percent to 50-percent discounts on office supplies, furniture and business equipment. It will be the fifth office products specialty venture to be launched in 1988, the others being Office Shop Warehouse, OfficeMax, Office World and Bizmart. Operations such as these and more established chains like Staples and Office Depot are seen as potential competitors for drug store stationery/home office departments.

Discounting and fashion keep sunglasses moving

Drug chains have kept sunglasses as one of the fastest growing general merchandise categories through everyday and seasonal discounting.

Many chain executives feel that by regularly promoting the under-$20 lines they most often carry, they can reach price points that conform to their stores' pricing image, and compete against deep discounting competitors.

A countervailing position holds, though, that it isn't necessary to discount sunglasses, since sales are primarily fashion-driven. Chains with broad assortments meeting a range of fashion needs can achieve strong sales at full price. Higher-end glasses, above $30 and as high as $200, are also an alternative for drug stores if the products conform to the leading styles, say some drug chain merchandisers.

Lines by Bonneau, Opti-Ray, Visual Scene, Cool Ray, Opti-Shield and Foster Grant have proven most successful for drug stores.

Regular discounting seems to be the prevailing drug store industry trend. Although unit and dollar sales of sunglasses increased from 1986 to 1987 in drug stores, the average price paid in drug stores declined, from $10.29 to $8.57, according to the Sunglass Association of America (SAA).

Among all retail channels, the average price rose from $6.85 to $7 in 1987, as sunglass retail sales hit the $1.3 billion mark, the SAA said.

Big B, Rix Dunnington and Douglas Drugs all carry sunglasses pre-ticketed with everyday discounts off the manufacturers' list price.

Big B combines its everyday 20 percent discount with monthly 50-percent-off ads, which allow the stores to compete with chains such as Eckerd and K mart who are also discounting, said Bob Little, vp-store operations.

Foster Grant and Opti-Ray assortments at Big B provide "good margins, even on sale," although loss from shrink has to be factored out. Big B positions racks to force the consumer to shop the front, allowing better surveillance, Little said.

Rix Dunnington similarly offers everyday 20 percent discounts on its Bonneau assortment, supplemented by spring and summer 50 percent-off promotions, said buyer Jay Weiner.

"Everybody discounts glasses; CVS, Brooks, and all the mass merchandisers. We feel we should also," said Weiner.

A Bonneau program of tailoring the $10-to-$18 mix to individual stores' needs has helped, and sales reps visit Rix's Cape Cod, Mass. units twice a week in the summer months as opposed to the normal monthly visit.

Rix uses locked cases and two-sided racks to combat shrinkage.

This year it is testing an Opti-Ray program in five stores, Weiner said.

With an eye on low-pricing tactics by local discount department stores such as Ann and Hope and deep discounters, including Woolworth's Rx Place, Douglas Drug shows a 25 percent everyday discount on its Foster Grant and Bonneau lines, said senior buyer Anna Iacono. The range at discount is $4.50 to $13.50.

An April buy-one-get-one-free coupon offer for sunglasses was "tremendously successful" and sunglasses have been a growth category for Douglas, Iacono said.

Over half of sunglass sales are in the $5-$20 range stocked heavily by drug chains

(U.S. retail sales in 1987; units and dollars in millions)

Retail price category	Units	Percent	Dollars	Percent
Up to $5	75	40%	$ 143	11%
$5-$10	70	37	400	30
$10-$20	28	15	280	21
$20-$30	6	3	150	11
$30-and up	10	5	350	27
Total:	189	100	1,323	100

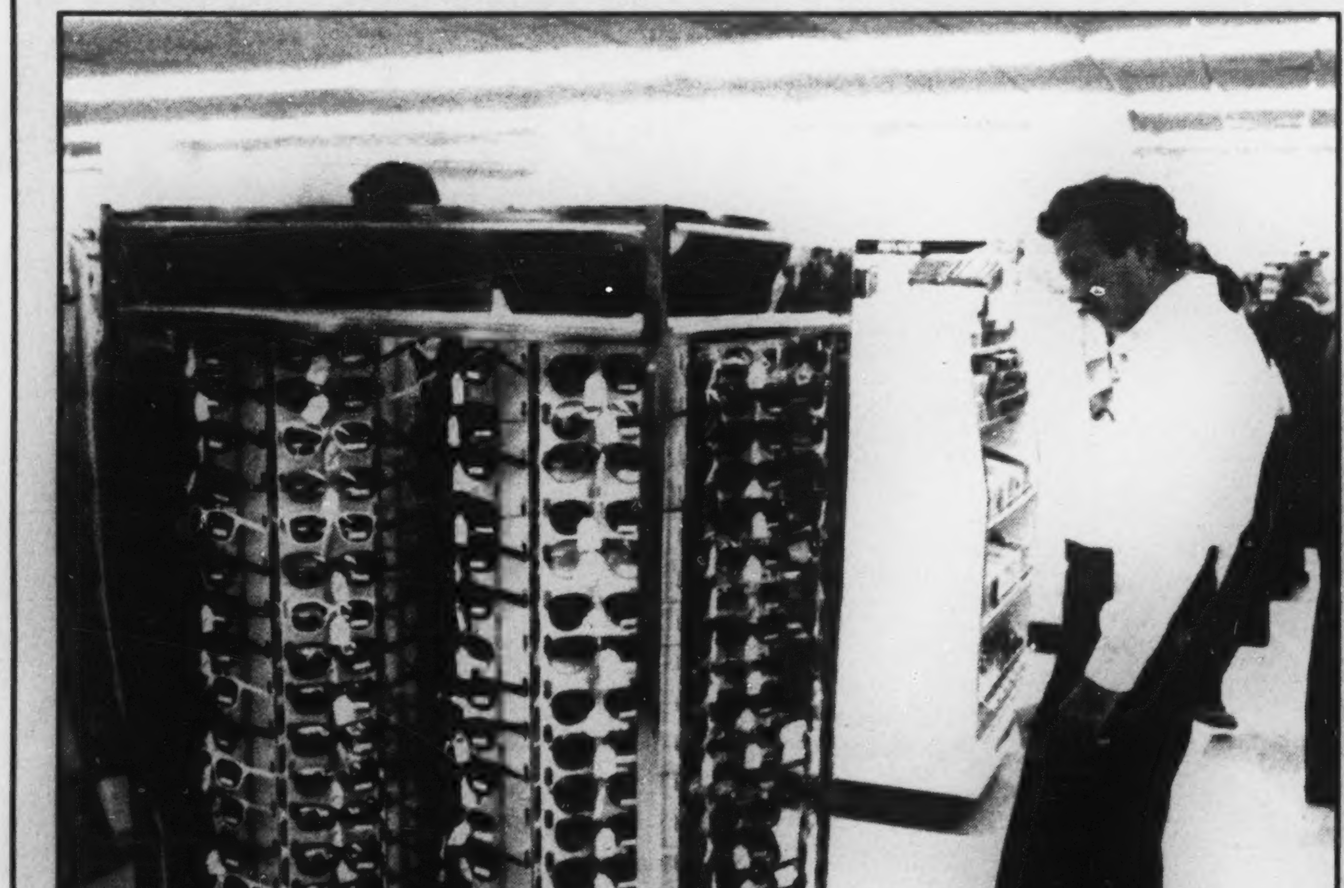
Source: Sunglass Association of America

Dollar growth slows as average price of sunglasses dips

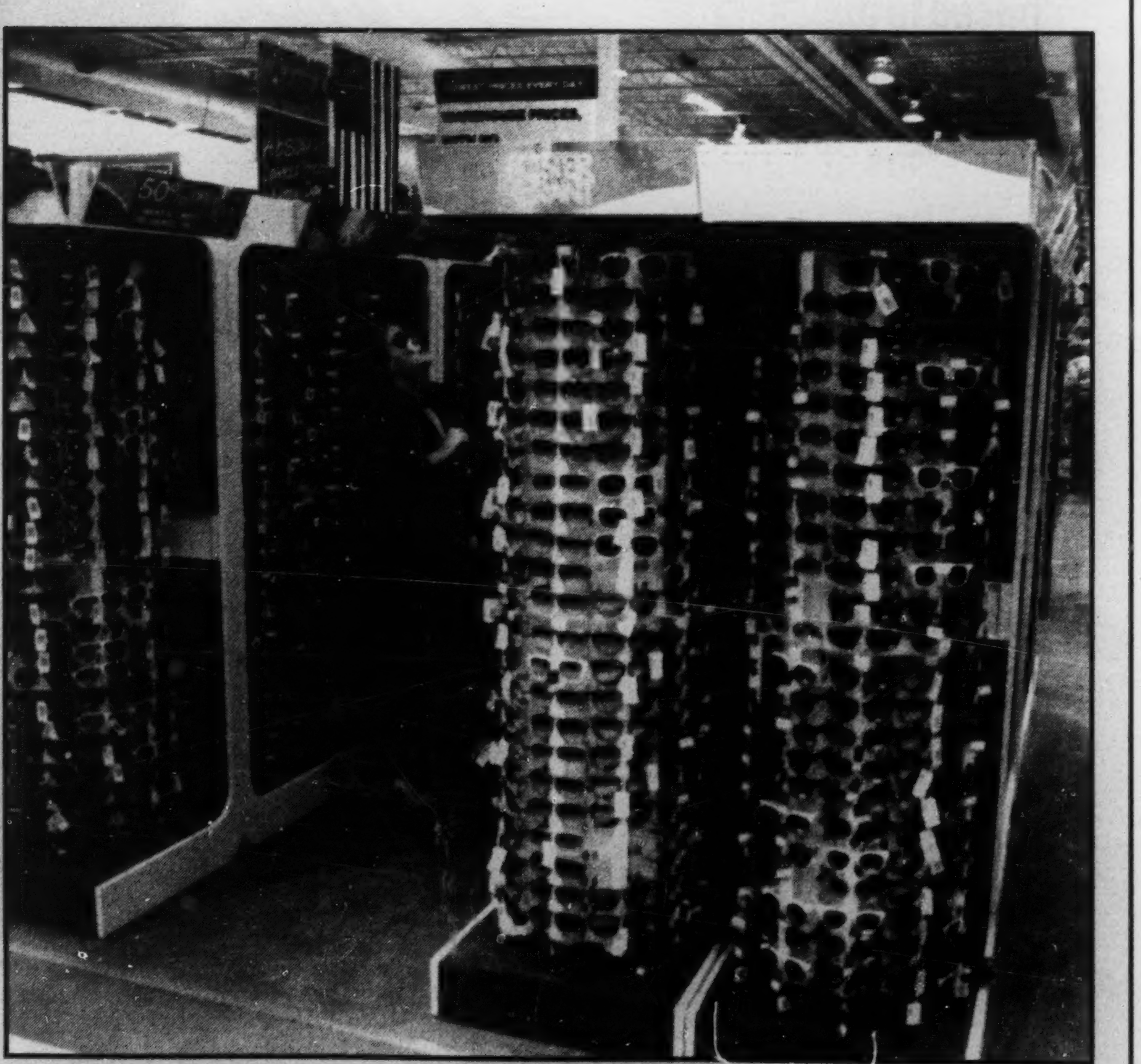
(units and dollars in millions)

	Units	% gain	Dollars	% gain	Average price
Drug stores					
1986	17	10%	$ 175	15%	$10.29
1987	21	11	180	13	8.57
Variety/mass merch.					
1986	23	13	150	13	6.52
1987	28	15	200	15	7.14
Food/convenience					
1986	10	6	75	6	7.50
1987	13	7	90	7	6.92
Total market*					
1986	175	N/A	1,200	N/A	6.85
1987	189	8	1,300	8	7.00

*Outlets include catalog showrooms, beach and sundry shops, and street vendors.
Source: Sunglass Association of America



Give shoppers a comfortable spot to try on sunglasses, and chances for a sale improve, as at this end-aisle display in Longs, San Diego.

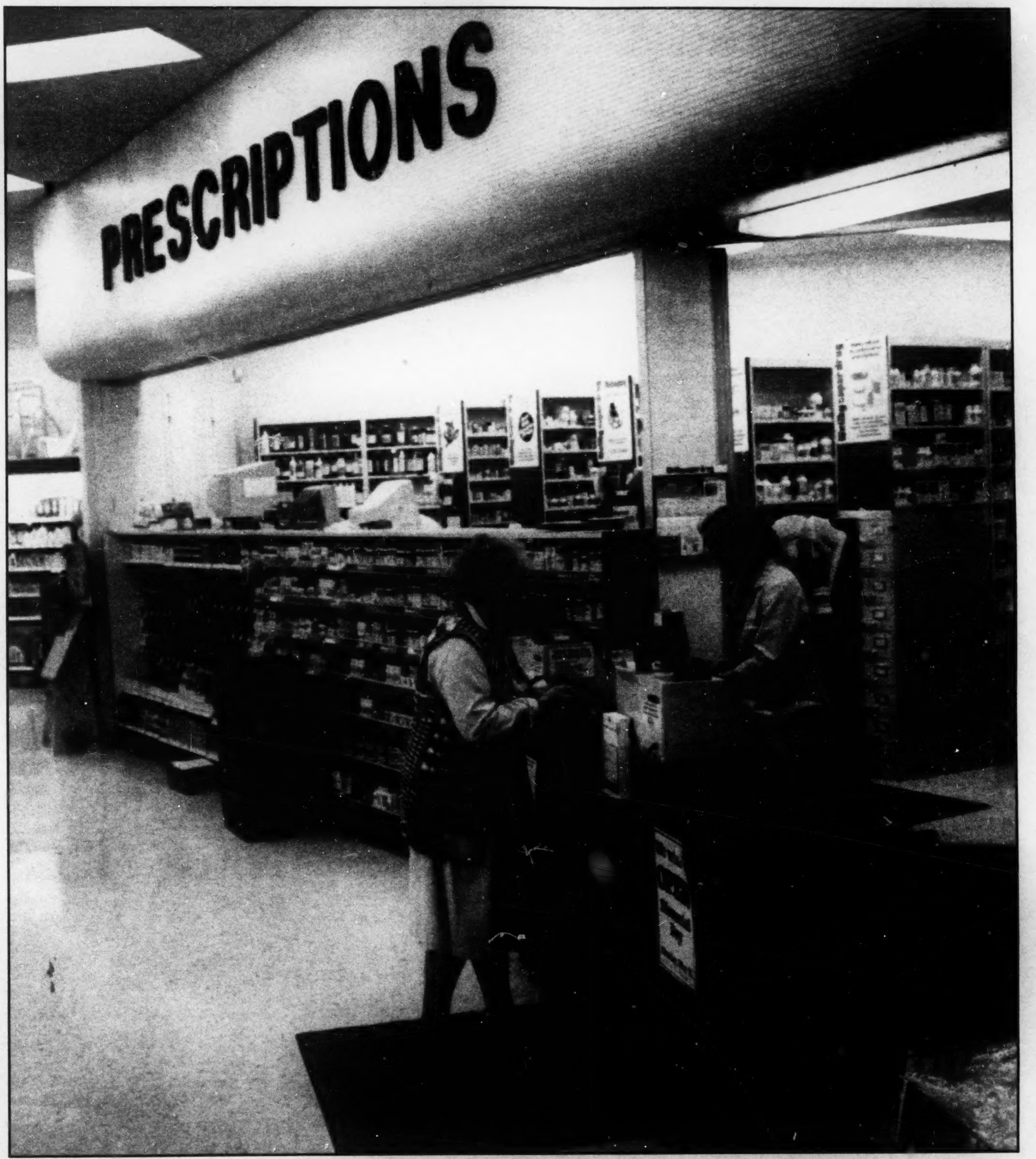


Broad variety in one central spot, rather than satellite spinners throughout a store, help retailers make a stronger fashion sunglass statement, as at Hypermart USA, Topeka.

Generic dispensing's promise lies ahead

Third-party pressures and enhanced margins drive substitution, according to an exclusive Drug Store News/Inside Pharmacy *study*

By Harold Cohen R.Ph.


A customer at Wellby Drugs picks up her prescription at the prescription check-out area. The prescription could very well be filled with a generic. According to the Drug Store News study on generic substitution, 56 percent of all prescriptons filled are filled generically.

Despite impressive inroads generic drugs have made in the retail prescription marketplace over the past several years, the dispensing of generic drugs has still not reached its fullest potential.

According to a survey of approximately 700 pharmacists conducted by *Drug Store News*, it is estimated that over half (56 percent) of all prescriptions at chain and independent drug stores are currently being filled generically. But the potential for generically filled prescriptions stands at 75 percent of all prescriptions written.

A more in-depth analysis shows that 20 percent of all prescriptions filled by the pharmacists were written for the generic to begin with, and another 55 percent were written for the brand but with "generic substitution permissible," creating a 75 percent potential for generically filled prescriptions. Conversely, 25 percent of the prescriptions filled were written for the brand only with no substitution permitted (creating an 80 percent potential for prescriptions filled with the branded product).

Pressure from cost conscious third-party programs and a heavy dependence by retail pharmacists to keep gross profit percentages in their prescription departments high, have created a situation where the bulk of generics currently being dispensed at retail pharmacies are substituted for brand name drugs.

On close examination of the study's data, nearly two-thirds (64 percent) of all generic prescriptions dispensed were the result of a substitution for a branded drug product.

While much of the heavy substitution practices at chain and independent pharmacies can be attributed to more discretionary power among staff pharmacists and a better understanding of generics on the part of the consumer, there is also a trend toward more physicians writing "substitution permissible" on prescriptions for branded drug products.

According to the study, there was a two percent increase over last year in prescriptions written that allow generic substitution (53 percent in 1987 compared to 55 percent in 1988). At the same time, there has been a two percent decrease in the number of prescriptions written for brand only, with no generic substitution permissible (27 percent in 1987 compared to 25 percent in 1988). The number of prescriptions written generically remained unchanged at 20 percent.

A rosy picture was painted by pharmacists' perceptions of the substitution trend. To no one's real surprise, the study showed that 90 percent of the pharmacists surveyed felt that substitution had increased over the past two years and 94 percent felt it will increase further in the next two years.

On average, the pharmacists reported that generic substitution for them had increased 34 percent over the past two years with independent pharmacists reporting a somewhat higher increase than the chains (37 percent independents compared to 31 percent for the chains).

Pharmacists had good reason to feel confident that the generic substitution trend will continue. According to the study, nine out of ten pharmacists believed the major reason for the generic success story is a better educated consumer.

Most of the pharmacists surveyed (9 percent) said that customers are asking more questions about generic drugs today than ever before. The majority of pharmacists (84 percent) also believed that consumer reaction to generic drugs has been positive while another 12 percent felt that consumer reaction to generics was neutral. Only 3 percent believed that consumers have reacted negatively to generics.

Cost savings to the consumer was the number one reason given by pharmacists for the heightened awareness of gener-

Continued on page IP18

Nearly two-thirds (64 percent) of all generic prescriptions dispensed were the result of a substitution for a branded drug product.

Types of prescriptions written by doctors

	Total	Independent	Chain
Total Generic Potential*	75%	75%	75%
Total generically filled	56	55	57
Written and filled generically	20	21	19
Written brand, with generic substitution/filled generically	36	34	38
Total Brand Potential**	80%	79%	81%
Total brand-filled	44	45	43
Written brand only and filled by brand	25	25	25
Written brand, with generic substitution/filled by brand	19	20	18

* Total generic potential = generically written plus brand, but generic substitution allowed.

** Total brand potential = brand only, no substitution plus brand but generic substitution allowed.

Source: Lebhar-Friedman Research

Generic substitution study

PHARMACY HOURS
GENERIC DRUGS
PICK UP YOUR PRESCRIPTION HERE

Hanging in this prescription department at a King Soopers in Denver is a sign encouraging customers to "ask us about generic drugs. . . the savings will make you feel great". According to the *Drug Store News* generic substitution study, almost eight in 10 pharmacists report being encouraged to substitute generics.

Factors affecting decision to substitute generics for branded drugs

	Total	Independent	Chain
Therapeutically equivalent	83%	81%	84%
Cost savings to customer	79	78	80
Patient request	66	61	70
Product availability	53	53	52
Improve profit	43	42	43
Store/company policy	24	19	29
Rebate or other incentive	4	3	4

Note: Percentages exceed 100 percent due to multiple responses

Source: Lebhar-Friedman Research

Continued from page IP17

ics by the average consumer. Other reasons the pharmacists gave for the high awareness factor included confidence that generics are therapeutically equivalent to branded products promulgated by reassurances from the pharmacist or physician.

But other pharmacists who answered the study said that consumers who get prescriptions filled as part of a third-party prescription program had little choice whether a generic or branded product is dispensed. In reality, this is true. Most third party plans, in an effort to keep costs as low as possible, mandate the substitution of generics wherever permissible.

Most third party plans, to keep costs low, mandate the substitution of generics wherever permissible.

But not all the pharmacists were convinced that consumers are embracing generics as is commonly believed. Some pharmacists thought a small percentage of consumers reject generics because they perceive them to be inferior to branded products, and that these same consumers, if given a choice on third party plans, would request a branded drug.

And although duplicate inventories of branded drugs

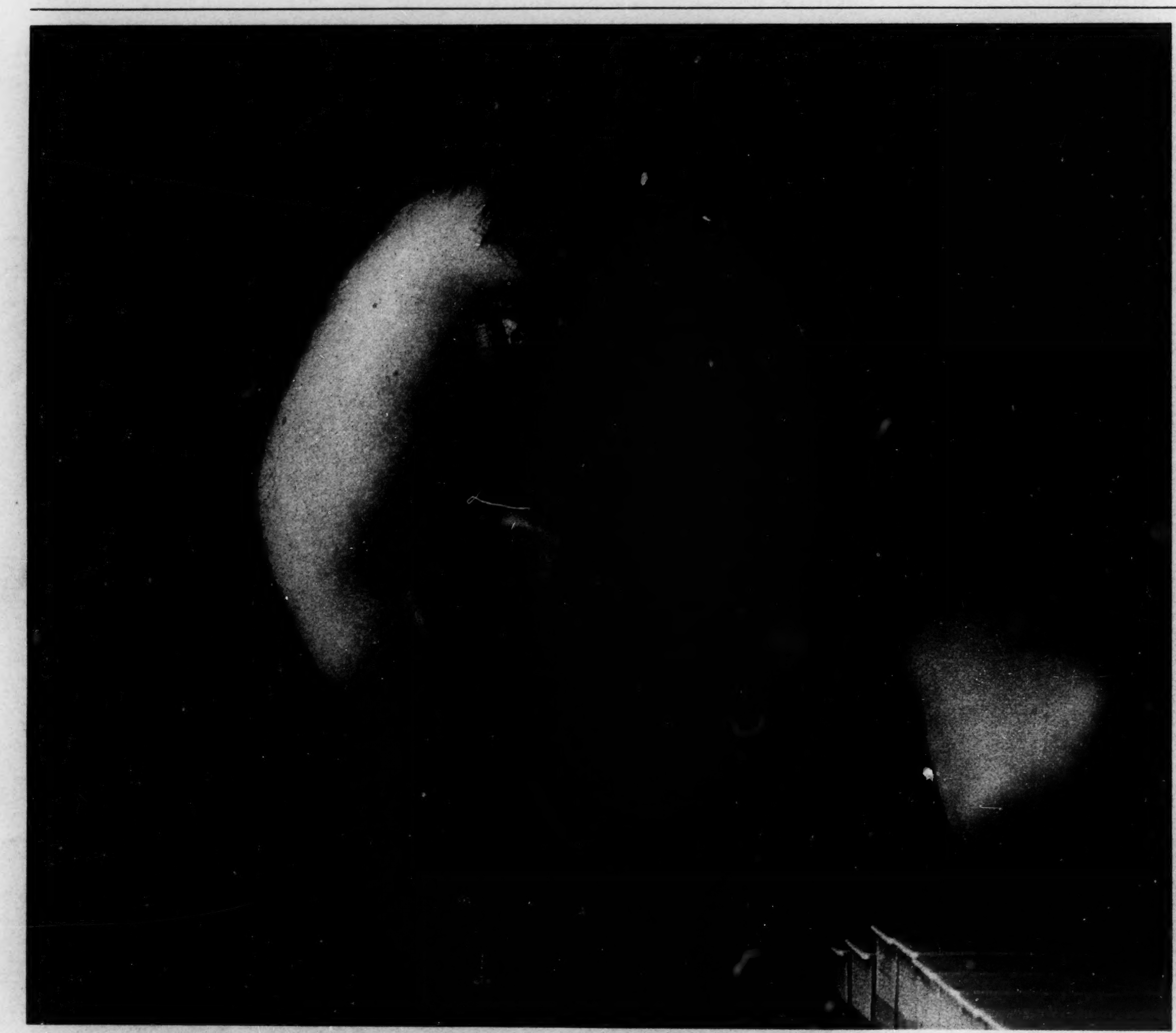
Continued on page IP20

Average amount of incentive per prescription

(among those chain pharmacists who receive a monetary incentive)

10-25 cents	9%
26-99 cents	15%
$1.00-$2.00	15%
$2.01-$3.00	15%
$3.01-$4.00	13%
Over $4.00	17%
No answer	22%

Source: Lebhar-Friedman Research



You know what's best for her. And so do we.

At Warner Chilcott, we share your commitment to patients like Amy. That's why we supply only the **highest quality generics.** It's a guarantee we can make because we insist on high-quality manufacturing standards. So each of our products receives the same quality attention you've seen for years from our parent company, Warner-Lambert/Parke-Davis.

And you'll benefit from consistent trade dress, continuity of supply, timely market introductions, and competitive pricing in an ever-increasing range of generic drugs and drug-delivery systems, all backed by a liberal return goods policy and product liability protection.

WARNER CHILCOTT
We care.

Warner Chilcott Laboratories Division of Warner-Lambert Company Morris Plains, New Jersey 07950

© 1988 Warner-Lambert Company

Circle #7 on Reader Service Card

WC-43-JA-4875-P-1(3-88)

Compact Counter Display Pack
(12s) takes only 2½'' of shelf space
HERPECIN-L®
Cold Sore Lip Balm. *"It Works!"*
Write: CAMPBELL LABORATORIES, INC.
P.O. Box 812-A, FDR, NY, NY 10150

Circle #8 on Reader Service Card

pharmacy
SAVE With Generics
Family RECORD-KEEPING
WE Care ABOUT YOUR Health
FREE BLOOD Pressure CHECK
Family RECORD KEEPING

A common method of advertising the availability of generics is with in-store signage.

Ways in which generic substitution is promoted

	Total	Independents	Chains
In-store signs	73%	56%	84%
In-store brochures	45	26	57
Newspapers	32	14	44
Recommendation	29	53	14
Television	22	2	35
Radio	20	9	27
Magazines	3	1	5
P.A. announcements	3	-	5
All other mentions	2	+	3
Don't know/No answer	1	2	1

+ = less than 0.5 percent

Note: Percentages exceed 100% due to multiple responses

Source: Lebhar-Friedman Research

Continued from page IP18

and their generic equivalents—once a common complaint among pharmacists—are commonplace in today's typical pharmacy department, eight of ten pharmacists agreed strongly that lower price points on prescriptions to customers and a better margin for the pharmacist more than offset the disadvantage of carrying a duplicate inventory, once a common complaint among pharmacists.

A major factor leading to the success of generics can be attributed directly to the pharmacist's discretionary power in substituting.

Generics promoted

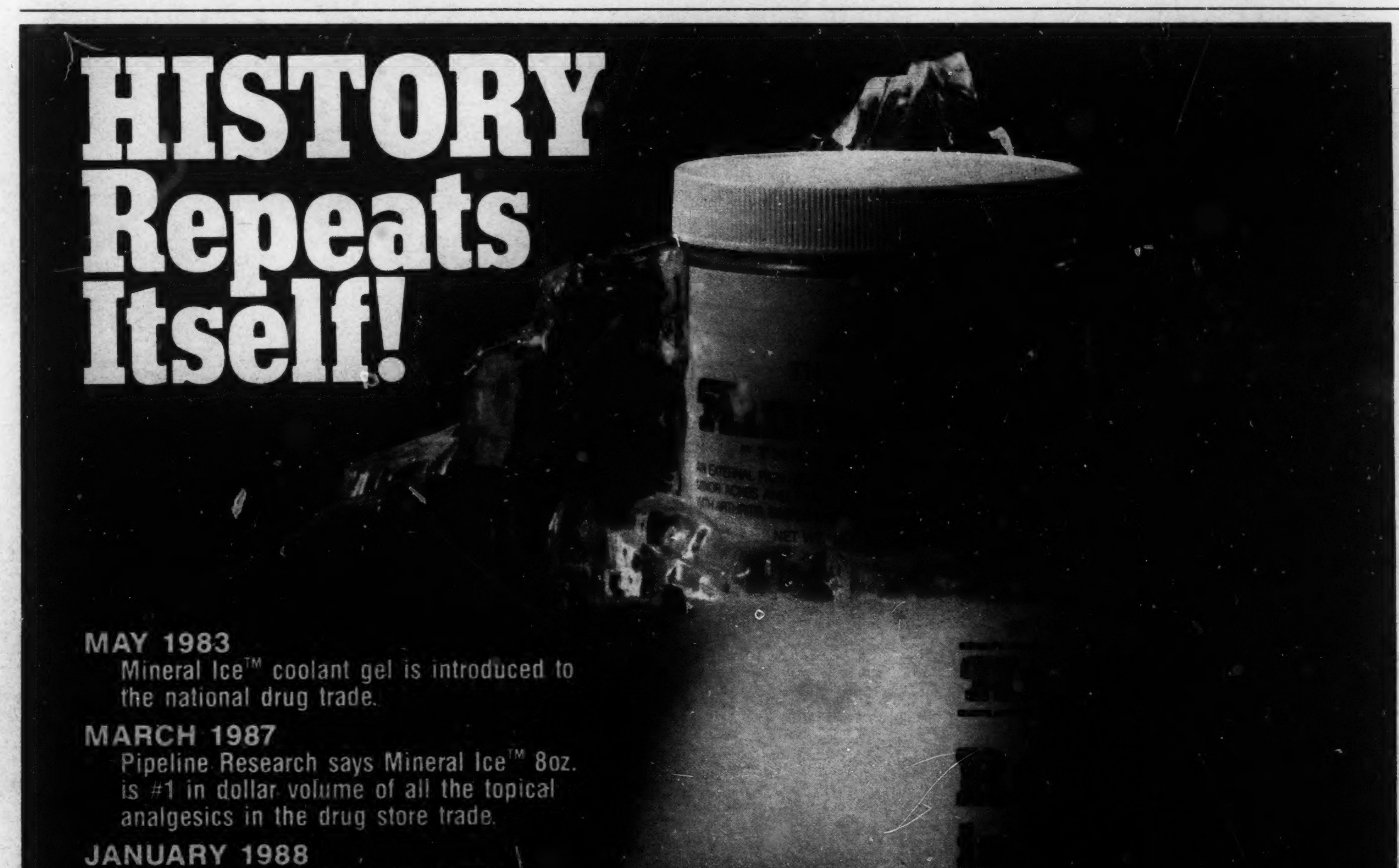
Several industry sources believe that a major factor leading to the success of generics can be attributed directly to the pharmacist's discretionary power in substituting. According to the survey, this may be true.

It was shown that the average pharmacist, in both chain and independent drug stores, spend an average of 38.3 minutes counseling patients on generic substitution. Surprisingly, chain pharmacists exhibited a slightly higher consultation period compared to the independents (38.9 minutes for the chains compared to 37.4 minutes for independents).

These consultation periods are supported by the majority of chain and independent drug stores promoting the use of generic substitution.

According to the study, 84 percent of the pharmacists surveyed said that their store or chain does this kind of promotion. Most (74 percent) said that the promotion was in the form of in-store signs, in-store brochures, newspapers, pharmacist's recommendation, television, radio, magazines

Continued on page IP22


HISTORY Repeats Itself!

MAY 1983
Mineral Ice™ coolant gel is introduced to the national drug trade.
MARCH 1987
Pipeline Research says Mineral Ice™ 8oz. is #1 in dollar volume of all the topical analgesics in the drug store trade.
JANUARY 1988
Largest drug wholesaler in the Mid-Atlantic area says Mineral Ice™ 8oz. is the #1 dollar volume item of all its 14,702 OTCs stocked.
MARCH 1988
FootMedic™ is introduced as the 1st water-based coolant gel for foot pain control.*
MAY 1988
Mineral Ice™ and FootMedic™ advertising budget increased, continuing national radio advertising on over 1600 stations, and coast-to-coast TV campaign featuring actor Patrick O'Neal.
? Soon To Be
FootMedic™, the #1 seller, #1 profit producer in the foot care category.
* Pipeline Reasearch

$5.8 Million Advertising Budget in 1988

For Opening Order / Purchasing Information, please contact:
Pat Higgins or Edith Streubert at (201) 454-8750

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Circle #010 on Reader Service Card

"Every retailer is on the look out for something like it," HH, NY
HERPECIN-L®
Cold Sore Lip Balm. "It Works!"
Write: CAMPBELL LABORATORIES, INC.
P.O. Box 812-A, FDR, NY, NY 10150

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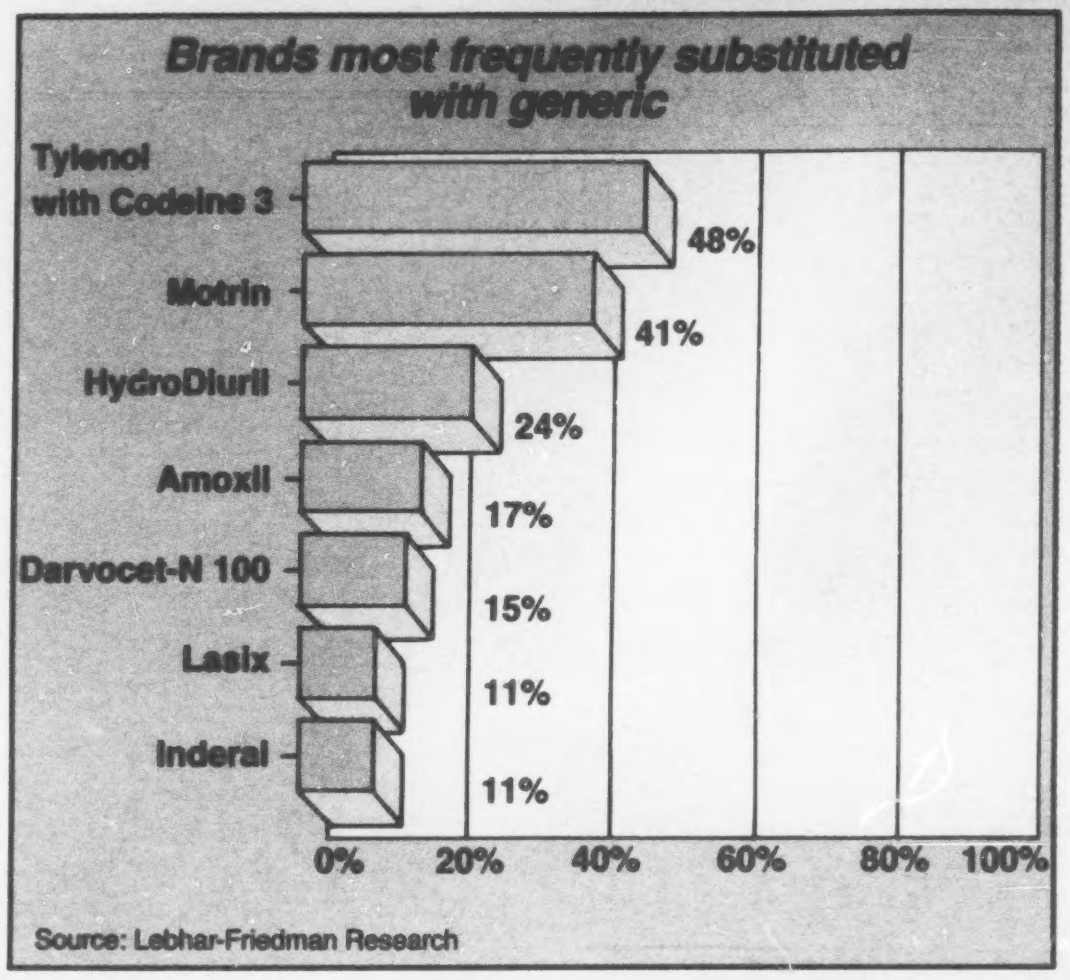

Source: Lebhar-Friedman Research

A pharmacist in a Vons Pavilion in Arcadia, Calif., puts essential information on a new prescription. Nine out of 10 pharmacists nationwide believe that customers are asking more questions about generic drugs today then ever before.

Therapeutic equivalency key to generic substitution

NEW YORK — One of the major complaints pharmacists have voiced over the dispensing of generics is the difficulty in finding the right generic product to substitute.

Through a survey answered by approximately 700 pharmacists nationwide, *Drug Store News* has been able to extrapolate major factors in pharmacists' decisions to substitute one particular product over another.

Although recent price wars in the generic industry would lead one to believe that cost savings to the customer was of primary importance in a pharmacist's decision to purchase one generic over another, the survey showed that the price of the drug was less important than a product that was rated therapeutically equivalent to the branded drug.

Factors that pharmacists felt were "very important" in their decision to substitute a particular generic drug (in descending order), followed by the percent of pharmacists who chose that reason were:

- Therapeutic equivalency (83 percent)
- Cost savings to the customer (79 percent)
- Patient request (66 percent)
- Product availability (53 percent)
- Improved profit (43 percent)
- Store/company policy (24 percent)
- Rebates or other incentives (4 percent)

Substitution study

Continued from page IP20

and P.A. announcements.

Promotion is particularly prevalent at the chains. In addition to the normal routes of promotion, almost eight in 10 chain pharmacists (79 percent) reported they are encouraged by management to substitute generics and about one-quarter of this group said they are offered monetary incentives.

Pharmacists who receive a monetary incentive for substitution receive on average $2.63 per prescription for every substitution made.

Pharmacists who receive a monetary incentive for generic substitution reported receiving on average $2.63 per prescription for every substitution made. Five percent of the respondents who are encouraged to substitute said they also receive a monetary incentive but not on a per prescription basis. Most often the incentive is paid on total store profits for the year. One chain pharmacist said that a contest is held that lasts three months. "The store with the greatest increase in percent gets a bonus."

Another pharmacist said that he gets paid 50 percent of what the generic costs, while still another said that his form of reward comes in a day off with pay "if we have the highest percent of generic substitution."

One pharmacist reported that "we are told only that the company gets something back."

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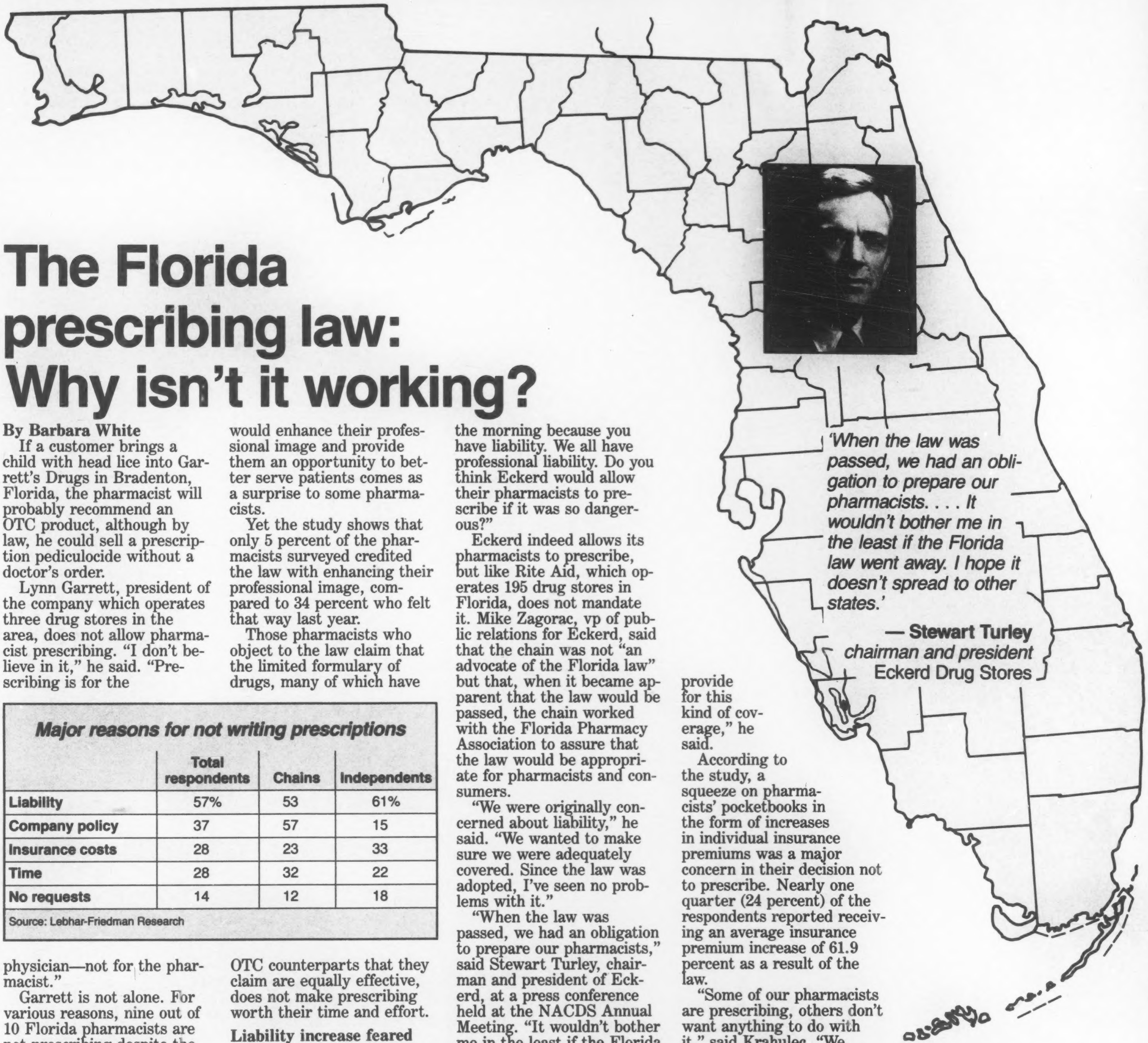


'When the law was passed, we had an obligation to prepare our pharmacists. . . . It wouldn't bother me in the least if the Florida law went away. I hope it doesn't spread to other states.'

— Stewart Turley
chairman and president
Eckerd Drug Stores

The Florida prescribing law: Why isn't it working?

By Barbara White

If a customer brings a child with head lice into Garrett's Drugs in Bradenton, Florida, the pharmacist will probably recommend an OTC product, although by law, he could sell a prescription pediculocide without a doctor's order.

Lynn Garrett, president of the company which operates three drug stores in the area, does not allow pharmacist prescribing. "I don't believe in it," he said. "Prescribing is for the physician—not for the pharmacist."

Garrett is not alone. For various reasons, nine out of 10 Florida pharmacists are not prescribing despite the existence of a 2-year-old law allowing them to dispense drugs from a select list of prescription drugs without a physician's order.

In a study conducted by Lebhar-Friedman Research, 91 percent of the Florida pharmacists surveyed said they are not currently prescribing the drugs allowed by the formulary. The majority (92 percent) of this group said they have no plans to do so within the next six months.

This continues the downward trend in the number of Florida pharmacists who prescribe. The percentage of prescribing pharmacists dropped 7 percent from last year when the law got off to a shaky start. Last year, a similar Lebhar-Friedman study showed that 16 percent of pharmacists in the state were utilizing their power to prescribe.

That pharmacists would fail to adopt a practice which would enhance their professional image and provide them an opportunity to better serve patients comes as a surprise to some pharmacists.

Yet the study shows that only 5 percent of the pharmacists surveyed credited the law with enhancing their professional image, compared to 34 percent who felt that way last year.

Those pharmacists who object to the law claim that the limited formulary of drugs, many of which have OTC counterparts that they claim are equally effective, does not make prescribing worth their time and effort.

Major reasons for not writing prescriptions

	Total respondents	Chains	Independents
Liability	57%	53	61%
Company policy	37	57	15
Insurance costs	28	23	33
Time	28	32	22
No requests	14	12	18

Source: Lebhar-Friedman Research

Liability increase feared

What's holding pharmacists back from prescribing? For the most part, fear of increasing their liability. Of all chain and independent pharmacists surveyed, 57 percent cited personal liability as the No. 1 deterrent to prescribing.

"You bet they're concerned about liability," said Rod Presnell, executive director of the Florida State Board of Pharmacy, "but I don't think it's a valid concern. If I were a pharmacist in practice today, I would not choose the issue of liability. After all, there is an assumed liability that goes along with just practicing the profession of pharmacy."

Powers also dismisses the concerns about liability, calling it "a smokescreen." "The same people who raised the issue of liability in drug product selection are raising the issue again," he said. "If that's the case, you'd be afraid to drive to work in the morning because you have liability. We all have professional liability. Do you think Eckerd would allow their pharmacists to prescribe if it was so dangerous?"

Eckerd indeed allows its pharmacists to prescribe, but like Rite Aid, which operates 195 drug stores in Florida, does not mandate it. Mike Zagorac, vp of public relations for Eckerd, said that the chain was not "an advocate of the Florida law" but that, when it became apparent that the law would be passed, the chain worked with the Florida Pharmacy Association to assure that the law would be appropriate for pharmacists and consumers.

"We were originally concerned about liability," he said. "We wanted to make sure we were adequately covered. Since the law was adopted, I've seen no problems with it."

"When the law was passed, we had an obligation to prepare our pharmacists," said Stewart Turley, chairman and president of Eckerd, at a press conference held at the NACDS Annual Meeting. "It wouldn't bother me in the least if the Florida law went away. I hope it doesn't spread to other states."

James Krahulec, vp of government and trade relations for Rite Aid, believes liability is a concern for many Rite Aid pharmacists. "Many pharmacists realize that the insurance they purchased 10 years ago doesn't provide for this kind of coverage," he said.

According to the study, a squeeze on pharmacists' pocketbooks in the form of increases in individual insurance premiums was a major concern in their decision not to prescribe. Nearly one quarter (24 percent) of the respondents reported receiving an average insurance premium increase of 61.9 percent as a result of the law.

"Some of our pharmacists are prescribing, others don't want anything to do with it," said Krahulec. "We haven't seen any cases of liability, but there is a big question of putting yourself on the line."

Fewer chains dispensing

Although Eckerd and Rite Aid are letting individual pharmacists make their own choices, an increased number of chains were no longer leaving the decision of whether or not to prescribe up to the individual pharmacist. Fifty-six percent of pharmacists employed by drug chains said the decision of program participation was determined by store policy. Last year, 24 percent said their decisions were a reflection of company policy.

The most frequently prescribed medications
(by drug category)

	Total	Chains	Independents
Scabicides/ Pediculocides	71%	82%	60%
Decongestants/ Antihistamines	43	27	60
Topical steroids/ Topical ointments	33	36	30
Eardrops	24	36	10
Vitamins with fluoride	19	18	20
Nonsteroidal anti-inflammatory agents	14	9	20
Other	19	18	20

Source: Lebhar-Friedman Research

Overall, 37 percent of chain and independent pharmacists surveyed reported existing company policy barring prescribing as the reason they do not utilize the law.

Gerald Friedman, vp of pharmacy at Best Buy Drugs, Inc. in West Palm Beach, polled pharmacists from the 13-store chain before setting policy against prescribing. "Most of our pharmacists did not feel that it would do our business any good. The majority had no

Continued on page IP26

At Camp's, prescribing provides another service angle

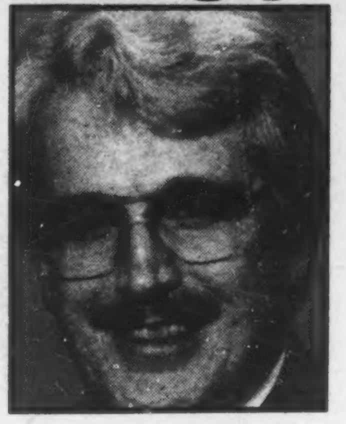
TITUSVILLE, Fla. — Red Camp, owner of Camp Pharmacy here, has been prescribing since the program began two years ago.

"I participate in the program the same way I participate in drug selection or anything to my advantage," he said. "I can't survive in the marketplace if I'm just another pharmacist."

Camp's pharmacy is one of 16 in an area with 30,000 residents—and competition is tough. Although he concedes that prescribing the drugs the law allows him to without a doctor's prescription represents only a small part of his business, he feels that offering the service gives him an edge on the competition.

"In terms of dollars, it's not a tremendous financial boon. The dollars would be negligible. In the best month, prescribing only represents a few hundred dollars," he said. "But it's hard to measure the value in terms of dollars. As far as I'm concerned, prescribing is only one more tool that allows me to be more aggressive, more innovative."

Camp primarily prescribes pediculocides, topical cortisones, and anti-histamines from a list of drugs provided by the limited formulary under the law.



'I can't survive in the marketplace if I'm just another pharmacist.'

—Red Camp
owner
Camp Pharmacy

"There are certain patients who feel that if the product they are using requires a prescription, it's better," he said. And the people who want that kind of treatment represent a market to Camp.

"Head lice are a problem in any warm climate. This law allows pharmacists to treat patients effectively and under the Medicaid law as well. A mother who brings her kid in with head lice doesn't have to spend money to take the kid or kids to the doctor but can be reimbursed."

And, contrary to some pharmacists' opinions, consumers, claims Camp, are happy about the law.

"Patients don't have much of a problem with our competence in treating them," he said. "They get a little upset when we can't treat their strep throat." He's making sure that more consumers are aware of the services he and other prescribing pharmacists offer by speaking to consumer groups and displaying brochures explaining the service in his pharmacy.

Camp doesn't buy other pharmacists' fears about provoking physician ire and increasing his liability.

"The perception that we're going into the doctor business depends on how well we communicate the reality of the law to physicians," he said. "I know of an instance where a pharmacist cleared all of the brochures detailing the service out of his store because a doctor in the complex was so upset about it. The next day the doctor was referring patients back to him telling them 'You don't need to see me for that. Go see Joe, he'll write you a prescription.' Once physicians understand the law, there's no problem."

Liability is less of a problem for Camp. "That's how we got into the mess that we are in now. We're not only slow to accept change, we're slow to accept responsibility," he said. "The folks who are most successful are those who want to make decisions."

Time, liability mire Fla. prescribing law

Continued from page IP25

interest in prescribing, so we do not," he said.

Time a factor

The reason most of Best Buy pharmacists had no interest? They had no time. "If we just do what we were trained to do—fill prescriptions—we're too busy," said Friedman.

Time restraints (reported by 28 percent of the pharmacists polled) were cited third most frequently by pharmacists as the reason they are not prescribing. "Customers don't always have access to a prescribing physician because time is involved," said Krahulec. "One time they may come in and the pharmacist may have time to prescribe. Other busier days would prevent them from having easy access to that pharmacist."

"Pharmacists have to go through a fairly burdensome record-keeping system," said Eckerd's Zagorac. "They have to consult and write down everything. Why should they do that when they can just as easily recommend an OTC product that will work just as well?"

Formulary limited

Zagorac's comment was typical of the responses by pharmacists—they felt the drugs included in the formulary had OTC counterparts that were just as effective.

Dissatisfaction with the limitations of the formulary among pharmacists who do prescribe was higher than last year. Only about half (52 percent) were very or somewhat satisfied by the prescribing law and the existing formulary. Sixty-nine percent expressed satisfaction with the program last year.

The formulary was instituted in May 1986 as part of a controversial law allowing pharmacists to prescribe drugs like pediculocides, antihistamines and antibacterials which have low potential for harm.

"The law sets up a pharmacists 'legend' which puts prescription products likely to go OTC into an interim category of transition period," explained Todd Dankmyer, vp of communications and public relations for NARD.

Pediculocides and scabicides were the most common prescription products dispensed without a physician's prescription; 71 percent of pharmacists cited those products as drugs they commonly prescribe. Decongestants and antihistamines were cited by 43 percent, topical steroids by 33 percent, eardrops by 24 percent and vitamins with fluoride by 19 percent. When asked what improvements could be made in the law, 17 percent of the respondents said the formulary should be expanded.

Pharmacists participating in the Florida program

	1987	1988
Chains	20%	9%
Independents	10	9

Source: Lebhar-Friedman Research

"There's not much on the list that pharmacists can prescribe," said M.J. Sullivan, president of Sullivan Drugs Inc., a two-store operation in Tallahassee. "Customers come in and want things that are not on the formulary."

'Pharmacists are . . . slow to change, but as more consumers become aware of the law and ask for prescriptions, pharmacists will prescribe,' Camp said.

"The limited nature of the formulary stops most pharmacists from prescribing," said Krahulec of Rite Aid. "Consumers get confused. Pharmacists may prescribe hydrocortisone for them. The next time they come in, the patient wants to talk about his ulcer. Then the pharmacist has to explain that he can't help with that. The patient has to see the doctor. That inconsistency is one of the reasons the law has not caught on."

Expanding the formulary may be in the cards in the near future, according to Powers. Yet talk of expanding the limited formulary irritates some pharmacists who object to the program for another reason—the fear of stepping on professional toes.

Provoking physician ire

"We're in a nationwide turf battle concerning physician dispensing. It doesn't sit well with physicians when pharmacists are lobbying for restraints on physician dispensing and then start pushing to prescribe," said Rite Aid's Krahulec.

"We're better off marking time on the push to expand the formulary until the debate on physician dispensing is settled," he said.

Krahulec is not alone in feeling that Florida physicians are not happy with pharmacists edging into their territory. Nearly three-fourths (74 percent) of the pharmacists surveyed felt that physicians disfavor the law. Seventy-seven percent believed that physician dispensing was on the rise during the past 12 months because of the law.

"The professional image that the law projects is a bold one," said Rod Presnell of the state board. "Because it's a bold image, other professions might have a problem with it."

Presnell admits that when the law was first passed, physicians initially objected to it. Once they were given an opportunity to examine the intent of the law, he said, most became more comfortable with it.

"The law doesn't say that in 10 years a patient will walk into a pharmacy and the pharmacist will diagnose and prescribe a drug. That just won't happen. It can't happen," said Presnell. "The law allows drugs which have a low potential for harm to be more accessible to patients who need them."

Powers, a long-time advocate of the law, insists that the law is a good one and that expansion of the formulary can only do good for pharmacists in the state. "Those pharmacists who are using the law are using it to their advantage," he said. "I hope that more state pharmacists will realize the tool they have available to them. I hope they will take advantage of it."

Will they? Or will the Florida law sit on the books as a white elephant? "I think as the formulary expands more pharmacists will go to the trouble," said Red Camp, owner of Camp Pharmacy in Titusville, who has been prescribing since the law was passed (see related story). "Pharmacists are a typically conservative bunch and slow to change. But as more consumers become aware of the law and ask for prescriptions, pharmacists will prescribe," he said.

SPEAK OUT

If legislation similar to the Florida prescribing law was passed in your state, would you prescribe?

"I've got mixed feelings. Sometimes it can help patients, but I'd rather tell people to go to their doctor, particularly in the case of products such as eye or ear preparations."

Martin Kulish
Dart Drug
Alexandria, Va.

"I guess I would prescribe. Of course the liability would be greater, but not much greater than the liability incurred for recommending OTC products. It would save people money to bypass seeing their doctors for minor things."

John Hardy
Drugs Plus, Dallas, Texas

"I think there would have to be some changes in the law. There is not any compensation for a pharmacist for spending his time prescribing. There should be some sort of fee which could be charged. I can also see why physicians are having a problem with it."

Dale Anderson
vp pharmacy operations
Texas Drug Distributors
San Antonio, Texas

"I would not prescribe. Patients should always have a prescription from the doctor for any drug that is a prescription rather than an OTC product."

Shirley Williams
Ike's, Nashville, Tenn.

"In certain situations I would prescribe. Some pharmacists would need some additional training, though. But with the formulary, I don't see it as a problem. We have some other important issues to address before this."

Gerry Lavengood
K mart, Lombard, Ill.

U.S. forecasts stiffer mail-order competition

WASHINGTON — Retail pharmacists will face accelerating pressure from mail order prescription drug competitors during the next five years, according to Department of Commerce predictions.

In a recent study on the outlook for U. S. industry, government researchers reported that an estimated 40 million prescriptions are already dispensed by mail, and the number is expected to grow.

"One expert sees this figure doubling by 1992, and mail order prescriptions eventually capturing 10 percent of the prescription market," they said.

The value of shipments of all pharmaceutical shipments in 1987 rose to an estimated $29.7 billion, a rise of 8.3 percent in 1987. Forecasters predicted continued real growth in industry shipments over the next five years of about 1 to 2 percent.

"The market for products to treat AIDS alone is expected to reach $2 billion by 1992," economists said.

According to the report, mail order sales have combined with growth in health maintenance organization dispensing and pharmacists' substitutions to push generic sales to about $400 million per year. Moreover, economists forecast that the generic market could be twice its current size at the end of five years.

"Patent protection will be lifted on another 35 prescription drugs by 1992, adding an estimated $3.5 billion to generic sales," they said.

Pharmacists may also take a larger role in health counseling in the future as over-the-counter sales and the market for "controlled-release" drugs increase.

"It is estimated that 75 percent of American adults have some illness or injury each year—but only a third actually turn to professionals for help," researchers said. "The others self-diagnose and use OTC drugs." OTC drug sales grew about 6 percent a year, reaching an estimated $8 million in 1987, and are expected to climb to about $8.5 billion this year.

In addition, sales of controlled-released drugs will top $3.8 billion by 1992, according to projections. One government forecaster predicted that "pharmacists will soon be customizing medications and loading precise amounts of active ingredients on liposome and other delivery system carriers for specific action in the body."

Trends and Forecasts: Drugs

Item	1985	1986*	1987**	% Change '85-'86	% Change '86-'87
Value of shipments	31,332	33,669	36,331	7.5	7.9
Biological products	2,713	2,945	3,190	8.6	8.3
Medicinals/botanic.	3,283	3,293	3,441	0.3	4.5
Pharm. preps.	25,335	27,429	29,700	8.3	8.3

*Estimated except for exports and imports
**Estimated
Source: U.S. Department of Commerce: Bureau of Census, Bureau of Economic Analysis, International Trade Administration

Cough-cold planogram

Continued from page IP34

ing used by chain drug stores in their advertising for this category.

The chain drug store has two objectives in hitting the consumer with ads highlighting low prices for the best-selling items: to reinforce the "low price" competitive image, and to draw in the customer that has an immediate need for these products. By giving away Benadryl 24s at $2.99 or Dimetapp 4 ounces at $2.69, they can generate year-round interest in what was originally a seasonal category.

Ad spending has increased over the last two years and is reported to be about $250 million. Last year some established brands have had phenomenal increases over the previous years sales figures. Formerly available as a prescription-only item, Warner-Lambert's Benadryl was originally advertised as an allergy medicine, but in recent years the company has expanded the advertising year-round. Last year Benadryl 24s showed a 205-percent increase. Products like Co-Tylenol caplet 24s, Comtrex caplet 16s, Contac caplet 10s, and Dimetapp Extentab 48s have all shown increases over 40-percent sales increases during the past year.

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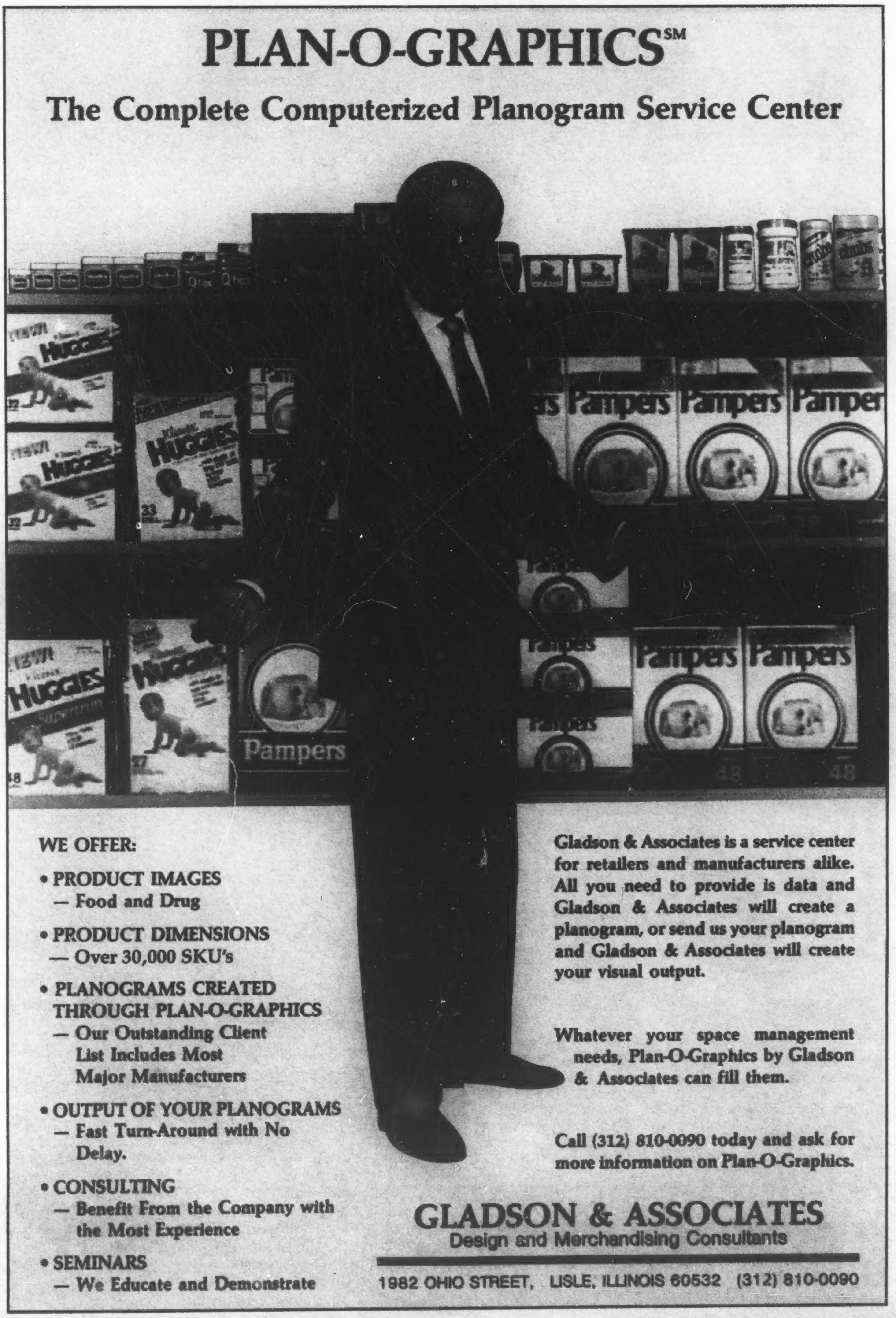

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Chain executives challenged by labor crunch

Continued from page 49

La.'s 12.6 percent; and Brownsville, Texas' 12.9 percent. The national average unemployment rate in May of civilians really looking for work was 5.6 percent, or about 6.8 million people.

Moreover, in a tight labor market, employee turnover increases markedly, according to Lewin, who noted that historically, the retail trade has had a high turnover rate because it draws extensively from teenage labor, which tends to have a higher turnover rate than older groups.

"Turnover is considered unacceptably high" at Wellby Super Drug Stores based in Portland, Maine, said vp Larry Plotkin. Other execs say the same for their chains.

What to do?

Labor experts chime, "Raise wages," and that is what a lot of drug chains have been doing, some yearly.

Arthur Drug Stores, based in Hartford, Conn., is in highly job-competitive markets. Supervisor Jay Mastriani recalls what happened when a supermarket moved next door to one of Arthur's stores and offered workers $5.50 an hour: "We nearly lost our whole crew." To compete, Arthur raised wages.

"We've always made a conscientious effort to pay well," said Nancy Belleman, director of personnel at Standard Drug in Richmond, Va. "We've been doing it for years, not just in this crunch situation. Every year, we raise the entry-level wage." But she said Standard isn't pointing up that fact enough, and she has set better marketing of its attractive wages and benefits as a goal.

Bill Eames, chairman and ceo of Bill's Drugs in California, said clerks start at $4.25 an hour and can work up to $7.25 in a year and a half.

Upstate New York-based Fay's, which has experienced increased payroll costs, has no problem in hiring at the minimum wage in some areas, according to Donald Bregandi, in charge of personnel. "But in other areas, you'll be in a shopping center where other retailers are paying 10 to 15 cents more than the minimum. We have to be more flexible than ever."

At Douglas Drug, in a state where the minimum wage is $3.65, Haronian said store clerks generally start at $4.50 an hour now, and that is reviewed after 30 days.

In Atlanta, where the minimum wage is $3.25, Drug Emporium's hourly wages start at between $3.50 and $4 and are reviewed after six months, said Jim Harn, vp-operations for the Atlanta region.

The question that looms is, how far can you raise wages and stay profitable?

Labor experts suggest chains may take other tacks, too, such as more consolidation of facilities and more automation. But while automation may help, it can't replace people in many areas, drug chain execs and labor experts agree.

"I don't see using it as a way of reducing labor costs," Plotkin said. "We'll always need people" because of the chain's emphasis on service.

While Standard's Belleman sees POS' advantages in such areas as inventory, it won't mean cuts in store-level personnel, but rather, "It will mean more time for customers and cleaner stores."

Another option is to increase benefits, but views differ on whether that will happen extensively. At least one chain, Drug Emporium, is creating more full-time jobs with benefits in lieu of some part-time positions in its Columbus, Ohio, area, in an attempt to attract and keep quality workers, according to Gail Thompson, vp-Columbus operations.

However, "An employer is more likely to take back benefits and put more into wages when they weigh benefit comp versus pay comp," said Lewin, who suspects benefits may even fall.

In chains that are unionized, contracts generally include benefits for part-time as well as full-time workers. But there has been an erosion in drug store union membership over the past two decades, as more chains have opened up non-union, said Al Zack, a spokesman for United Food and Commercial Workers.

The current tight job market should be advantageous for union organizing, according to Lewin: "In the past, times of economic expansion were when unions gained membership." But that stopped being true in the 1970s, he added. Unions tend to thrive when a firm has a stable full-time workforce, but "higher turnover, which prevails now, tends to make organizing difficult." However, if unions can pursue strategies such as merging, shifting emphasis from political activity to more organizing, and mounting appeals through the media to target white-collar workers, he continued, "we could see an eruption in the labor movement."

Reported impact of labor shortages on businesses

(Percentage reporting difficulties)

Problem	Mass merchandisers	Dept. stores	Specialty stores	Specialty chains
Particular problems	100%	76%	70%	85%
Lower sales	20	33	46	23
Reduced customer satisfaction	100	76	73	31
Higher training costs	80	53	27	36
Impact on profit	100	82	64	46
Lower performance	80	20	27	15
Poor morale	80	55	64	46

Of surveys mailed to 384 NRMA members, 64 responded, of which 47 percent were dept. stores, 8 percent mass retailers, 19 percent specialty stores, 20 percent specialty chains, and 6 percent, other.

Source: National Retail Merchants Association's 1986 survey of labor shortages in retailing.

Chains see solutions in stepped-up recruiting, training

To meet the labor shortage challenge, many chains are intensifying the recruiting strategies they've always used. Others are responding to the narrowed selection by stepping up their training programs. "Less selection has meant more training," said Tom Rosenthal, Standard Drug's president.

"The No. 1 goal in a tight labor market is keeping people; to do that, you have to train them," Michael Simpson, president of Drug-Sav in Tyler, Texas, agreed.

Many are looking at ways to enhance career opportunities and upward mobility. "We have to put the excitement back into retailing," said John Haronian, president of Rhode Island-based Douglas Drug. "We have to go into colleges and explain there's a career—a very nice one—in retailing."

There are still other options, and drug chains have shown considerable ingenuity in pursuing them. Here are some of the things they're doing:

- **Hiring older workers.** Given the aging of the large baby boom population, this is a main thrust, although some chains report spotty success in attracting them. Several chains are actively seeking out retirees and other older people through want ads, window signs, word of mouth or by recruiting at churches and senior citizens' centers.

Happy Harry's in New Jersey, for example, goes to senior citizens' centers and describes the work opportunities it offers. "We tell them we're flexible on hours and that we try to match individuals to store locations convenient to them," said Alan Levin, president, who added that the chain will continue pursuing this avenue "because it's helpful."

In appreciation of being given the opportunity to recruit, the chain presents gifts to the center, such as first aid kits or a portable oxygen machine, plus the center receives $10 per individual who is recruited.

Birch Drug, based in Haverhill, Mass., is launching a "brown-bag day" at senior centers, combining recruiting with a program in which Birch pharmacists help seniors with their medications. The seniors are asked to bring their medicines to the meeting in bags, and the pharmacist checks for duplications and offers other medication information.

See more labor shortage coverage, page 188

"You want as many older people as you can get," said Robert Souder, Rite Aid's senior vice president, personnel. "They're more stable, they enjoy the work, they're so much better with customers, there is less turnover—it's their overall work ethic."

But there's a drawback: "If employers look to seniors, they will have to be concerned about what prevents more elderly from working—losing Social Security benefits rapidly," said Columbia University's Professor David Lewin. Retirees lose 50 cents for every dollar they earn under $24,000, he explained, suggesting that an amendment to Social Security laws "would be the single biggest boon to employers." He also thinks Congress would be amenable to such a change. "The environment is bringing pressures to bear for legislative change."

- **Recruiting at schools.** Many chains—K&B, Drug Emporium, Fay's, Bill's and Reasner Drugs in Indiana, to name a few—are going into high schools and colleges to seek help.

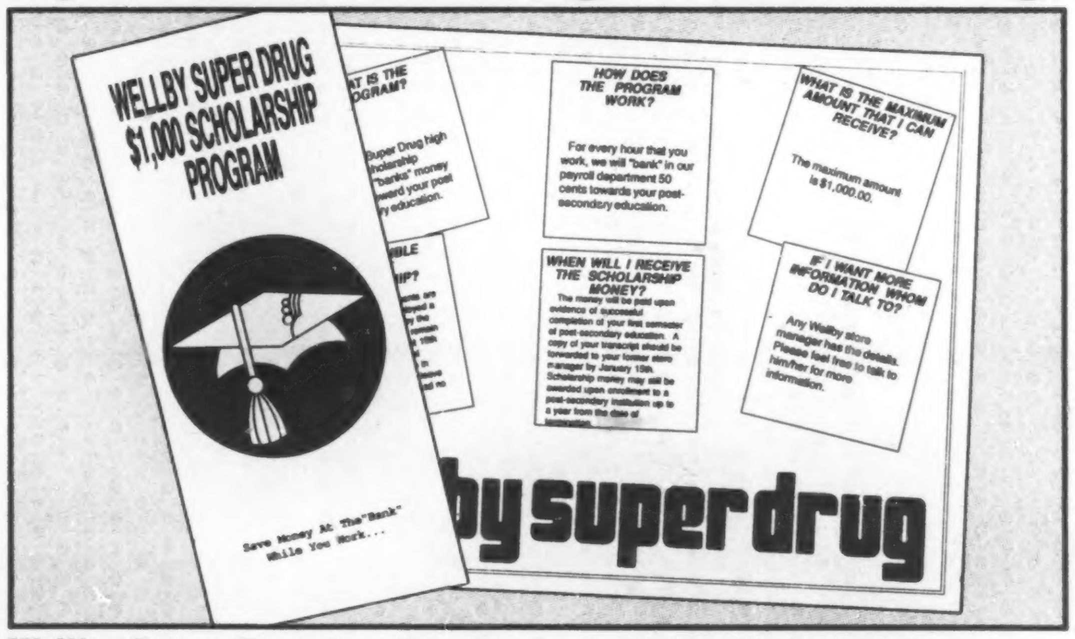
Jim Harn of Drug Emporium in Atlanta speaks at career days. Gail Thompson, in the chain's Columbus area, has used high school Distributive Education programs for years, and works hard to strengthen relationships with schools. Through the DE work/study program, of which she's a product, students work in stores part of the school day and take courses stressing job skills and how to present themselves for interviews and on the job.

Standard Drug's director of personnel, Nancy Belleman, began going to career days at local junior and four-year colleges two years ago to recruit.

She also works with schools' summer job programs, finding that some summer workers will stay on part time after school starts.

- **Coordination with government-funded programs.** Standard is also active in the Richmond area Private Industry Council (PIC). There are PICs all over the country, funded by the federal Job Training Partnership Act (JTPA), which supports programs, with local business input, to help disadvantaged individuals and others to prepare for and find work.

Belleman is on the board of the metropolitan area's PIC and draws employees from PIC's training program, which does the screening and job search for applicants. The PIC in her area, which is made up of local and county officials and private business people, helps find summer jobs, sponsors a cooperative education program with schools that stresses basic academic skills, and coordinates on-the-job training. Through the latter service, employers receive an up to six-month wage reimbursement on half the wages they pay new employees. The employer does the training.


WELLBY SUPER DRUG $1,000 SCHOLARSHIP PROGRAM
Save Money At The "Bank" While You Work...
HOW DOES THE PROGRAM WORK?
WHAT IS THE MAXIMUM AMOUNT THAT I CAN RECEIVE?
The maximum amount is $1,000.00.
WHEN WILL I RECEIVE THE SCHOLARSHIP MONEY?
IF I WANT MORE INFORMATION WHOM DO I TALK TO?
by super drug

Wellby Super Drug has launched a scholarship program to encourage college-bound high schoolers to "join the best" by working for the chain.

PICs also promote the Targeted Jobs Tax Credit (TJTC), which is usually administered by a state's employment agency and whose eligibility requirements are similar. Through TJTC, employers get a 40 percent tax credit for wages they pay employees drawn from five groups.

"It's easy to tap into and take advantage of," said Wellford Dowdy, director of the Richmond-area PIC. "People in retail businesses especially benefit from TJTC, because they're attracting people who meet the eligibility profile," he explained.

The key component for a business seeking to take advantage of a tax credit program is to provide incentives for its managers to use it, Dowdy said. "Those companies that provide bonuses or allow tax credits to be subtracted from end-of-year costs reap a lot of benefit from participating in TJTC," he said. "But you need a carrot for store managers to be willing to participate."

He noted that there are for-profit consulting firms that relieve companies of the effort and paperwork involved in tapping into government tax credit and cash grant programs, but they are costly.

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Chains seek innovative labor crisis solutions

Recruiting difficulty by type of retailer

(Percent)

Type of employee	Mass merchandisers	Dept. stores	Specialty stores	Specialty chain
Full-time	20%	48%	25%	55%
Part-time days	60	79	46	73
Evening and weekend	100	90	50	91
Less than $4/hour	100	96	67	100
Less than 18 years old	100	86	75	100
Males	60	75	50	78
Females	0	83	50	70

Source: National Retail Merchants Association's 1986 survey of labor shortages in retailing.

In addition to recruiting older workers, working with schools and tapping into government-funded programs, chains are stepping up other efforts, as well as venturing down new paths:

- **Flexible hours.** A number of drug chains stress flexibility on hours to lure teens and seniors to join them. "We point up flexible schedules and guaranteed hours in our ads," Drug Emporium's Gail Thompson said. Bob Ramsey, vice president for Drug Emporium's Washington, D.C. area, added, "We work our schedules around employees."
- **Non-traditional advertising vehicles.** Rite Aid, for example, has incorporated employment ads in its promotional ads in newspapers, as well as using abbreviated employment applications in bag stuffers. Other chains report trying these methods, as well as using the backs of prescription receipts to announce employment opportunities to seniors.
- **Scholarships.** Maine-based Wellby Super Drug recently launched a scholarship program as an incentive to college-bound high school students and to help reduce turnover. Through the program, the result of a brainstorming session among store managers, Wellby provides and "banks" 50 cents for every hour a high school student works, and pays the student the accumulated money toward his or her college education. To gain the scholarship, students must work a minimum of six months for the chain and remain employed through Aug. 15 following their high school graduation. The maximum amount of the scholarship is $1,000.
- **Bonuses.** Standard Drug's Nancy Belleman said that twice in the past five years she has offered a $500 bonus to store managers who find an acceptable store manager applicant, "when I'm desperate." But, "I got one manager out of it each time—it wasn't that successful."

Birch Drug in Massachusetts offers the choice of $500 or an extra week of vacation to pharmacists who attract a new pharmacist. They usually pick the extra vacation, said Stephen Birch, who is in charge of personnel.

- **Employee incentives.** Several chains, such as Georgia-based Dunaway Drug Stores, stress employee recognition with an "Employee of the Month" program.

Drug Emporium in the D.C. area recently initiated such a program, said area vp Bob Ramsey. "Everybody's eligible, including managers." Rewards include a minimum of $25 and a pin, plus the employee's name is added to a plaque displayed in the store. All employees vote when they pick up their paychecks, giving two reasons why they nominated the person. Then a three-member committee, made up of last month's winner, the store manager and another employee, make the final decision, "so it won't be a popularity contest."

Chains are also stressing and expanding career opportunities to find and keep good people. "Our studies indicate that the No. 1 attraction of Arbor to potential employees is a career opportunity within our organization," said Eugene Applebaum, chairman and chief executive officer of Arbor Drugs, Troy, Mich. "Our key management positions in store operations and merchandising have just about all been filled by individuals who joined us in an Arbor store."

Other incentives abound. Standard, as well as some other chains, uses a pay schedule that is reviewed after the first six months. In addition to automatic raises given to full-time employees once a year, merit raises are offered to part-timers, based on their store manager's and supervisor's evaluation.

White Drug Enterprises in Minnesota hands out "WOW (White's Outstanding Workmanship) Award" cards to employees who have created an attractive display or "talk especially nice to customers," said president Henry Beinert. The card is redeemable from the employee's store manager, and the award is $10.

Although not directly classifiable as an incentive, Bill's Drug illustrates how some companies show sensitivity to their employees' needs in making major decisions. According to Eames, one of the main factors in deciding on a site for Bill's new headquarters and warehouse this year was to pick a location where housing was affordable for employees working at the facility.

- **Help wanted ads.** Nearly every chain contacted reported it uses newspaper want ads, and Drug Emporium even runs help-wanted ads in college newspapers in the Columbus area. But many execs said ads draw fewer applicants and sometimes none. Often, the applicants whom ads pull are "the bottom of the barrel," said one personnel head.
- **Signs posted on windows and in-store.** Where signs used to pull walk-in applicants in healthy numbers, "they just trickle in now," as one exec put it. Another said she takes the signs down from time to time; when they're put up again, it sparks renewed interest.
- **Training programs.** Many chains are stepping up their training programs, including adding full-time trainers.

Some, like Kerr Drug Stores in North Carolina and Douglas Drug, have added videotapes to help in training, especially of cashiers and clerks. "If you let employees know what to do, they will do a great job for you; their job satisfaction goes up," said Jimmy Jackson, a Kerr district manager.

Although some Western chains report less of a labor-shortage problem than some areas, they, too, are scrutinizing their training programs. "We do way more training than before," said Val Storrs, senior vp, operations at Seattle-based Bartell Drug.

Bill Eames of Bill's Drugs, whose training program includes a full-time person to train assistant managers, said, "As an industry, we do a poor job of training. Training implies the ability to delegate. Supermarkets do a much better job—they pay better and have less turnover. They do it through more training, testing and re-training."

"There is a future in retailing; it's exciting," said Austin Drug president Gary Spielfogel. "But you have to back it up with training."

Although drug chains apparently haven't tried reimbursing employees' transportation expenses or initiating busing yet, a few said they are seriously thinking about it. At least one chain, Rite Aid, has instituted an 800 hotline number for employment inquiries.

Word-of-mouth still helps

But for many chains, simple word-of-mouth is still a potent means of finding help. "If I'm working the cash register, I'll ask a customer if she knows of someone who wants a job," said one manager.

Many place reliance on maintaining a pleasant environment to attract employees.

> *'Our studies indicate that the No. 1 attraction of Arbor to potential employees is a career opportunity within our organization,' said Applebaum.*

"As a whole, this industry doesn't sell the advantage of working for a drug chain enough," said Stephen Birch of Birch Drug.

Although chains are worried about the effect on their bottom lines of growing labor costs, they're equally concerned about the effect on their employees' morale and, ultimately, the effect on customers.

"It's a source of frustration for store managers who are constantly searching for help," said Larry Plotkin, vice president of Portland, Maine-based Wellby Super Drug Stores. Plotkin added that at Christmastime, his managers often worked excessively long hours. Moreover, "it hurts our customer service when we have less experienced employees."

The labor shortage "affects everybody who works for your company," agreed Belleman of Standard Drug. "For managers and clerks in the stores, it has got to be a negative. It's going to affect our employees and customers. I don't think customers are walking out empty-handed, but if things keep going like this, it's going to be a huge problem.

"Right now, I have two truckloaders and an opening for a third. I tell them, 'I'm looking, please believe me,' and they look at me as if to say, 'Are you *really*?' By the 1990s, I'm going to be screaming."

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DRUG STORE NEWS®

Vol. 10/No. 14 **Our 60th year of serving chains, wholesalers and high-volume independents** Published by Lebhar-Friedman Inc. July 4, 1988

Skaggs casts Lucky in crucial American role

New Lucky stores will incorporate elements of the chain's new Advantage store prototype, which opened in San Diego.

By James Frederick

SALT LAKE CITY — Newly acquired Lucky Stores had a starring role at American Stores Co.'s annual meeting of shareholders here June 14. Company chairman L. S. (Sam) Skaggs, who now heads the nation's largest supermarket conglomerate with the addition of Lucky, devoted much of the meeting to an in-depth look at the new acquisition and its role in American Stores' future.

That role will be a crucial

See **Lucky,** *page 145*

Scott's appointment signals shift in American's strategy

SALT LAKE CITY — Shareholders at American Stores' annual meeting June 14 got their first look at former Longs Drug Stores executive vp Dick Scott, who joined the company in May to become chairman, ceo and president of some 300 western-region Osco/Sav-On drug stores.

Scott, 52, will eventually take over as head of Ocso stores west of Colorado, according to vp of investor relations J. Michael Holt. The appointment signals a change in direction for American Stores, away from some elements

See **Scott,** *page 145*

Revco readies new debt plan as payment date passes

TWINSBURG, Ohio — As anticipated, Revco D.S. failed to make a $46 million semi-annual interest payment on $703.5 million in subordinated debt by its June 15 due date, marking the most serious stage yet in the company's ongoing debt crisis.

At the same time, however, Revco executives sought to reassure their suppliers, creditors and bondholding investors that the company was nearing completion of a new financing plan which would allow its cash flow from operations to catch up with the demands of its billion-dollar debt load.

Failure to make payment triggered a downgrade in Revco's bond rating by Moody's.

Revco chairman and ceo Boake Sells and other executives had been warning the financial community and other parties for months that it would probably be unable to make its scheduled payment.

Sells blamed unrealistic projections for future performance made at the time of Revco's leveraged buyout for its current debt problems, saying a new, more realistic financing plan, based on its current cash flow, was essential if the company was to avoid bankruptcy.

"Despite what everybody says,

See **Revco,** *page 145*

NACDS Marketplace: Essential power-to-power event

What's happening in the **Orlando, Fla.** market

With this issue, Drug Store News *launches monthly coverage of timely news events in specific markets.*

Revco will be closing all but one of its remaining 19 stores in Orlando and southern markets.

Market sources said the stores were shopped around, apparently without much success. Drug store owners received packets with detailed information on stores' leases, average volumns, inventory, weekly scripts, and other facts.

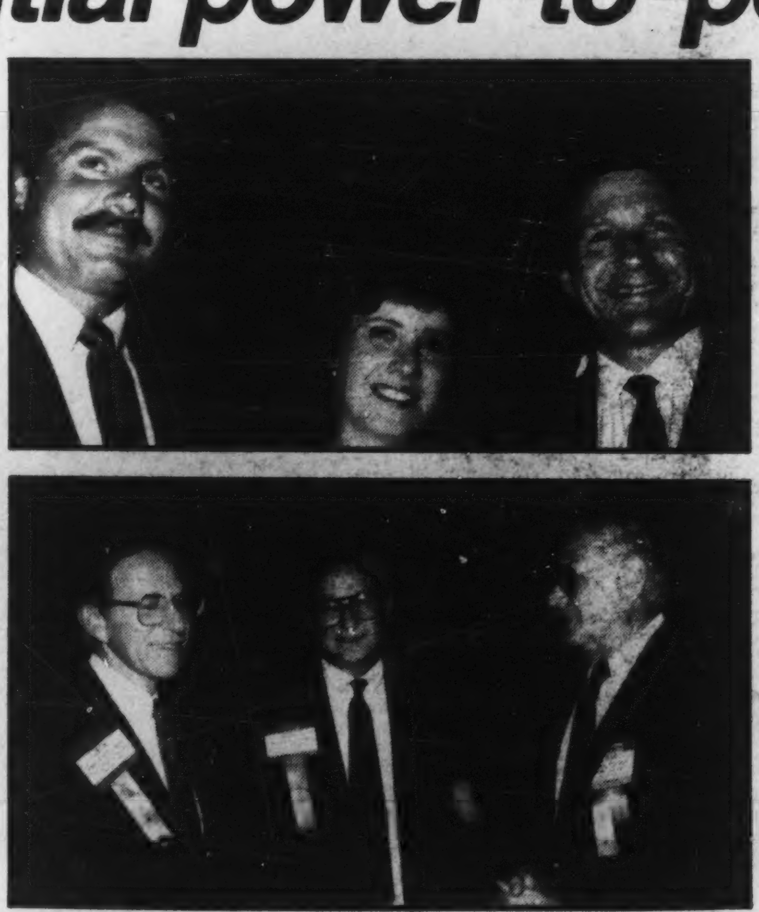
They will instead be shuttered, except for one Orlando unit, which is being sold to the pharmacist, a Revco spokesperson said.

Rite Aid bought 11 Revco stores in southern markets in April. Revco is retaining 63 stores in northern Florida zones.

* * *

Walgreen's stores and independent and chain drug stores

See **What's,** *page 145*



Informal meetings were a large part of the 1988 NACDS Marketplace. In top photo, Harvey Rosenthal, CVS (r), stands with Richard and Linda Duffy, Quick Chek. At bottom, Jack Robinson, Perry Drug (l), chats with Dick Eils, Thrifty (c), and Jerry Gilbert, Johnson & Johnson Health Care.

By Al Heller

ORLANDO — The NACDS Annual Marketplace Conference is quickly securing its place as an essential industry event, according to many of the 1,000-plus drug chain attendees here at the Marriott Orlando World Center last month.

The 275-booth exhibit floor at this second Marketplace will expand to 350 at next year's show in Opryland.

Stewart Turley, chairman of NACDS and Eckerd, said the trade group wants Marketplace to undergo measured growth each year. He, like many chain executives, recognizes that much of the show's

See **Marketplace,** *page 145*

LATE NEWS

- COLUMBUS, Ohio — A $20 million public stock offering by Drug Emporium was slated to begin trading on the NASDAQ exchange June 28, company president Gary Wilber said.

- ORLANDO, Fla. — At the 1988 NACDS Marketplace, *Drug Store News* learned that:

–Former Begley vp-marketing Mitch Jacobs has joined Medicare-Glaser as vp and director of buying and merchandising, and Billie Carpenter, ex-cosmetics buyer at Begley, has joined Revco.
–Former Peoples vp Gerald Katz has joined Fay's Drug as general merchandise manager, reporting to vp-merchandising Jim Wuest.
–Allen Nehman, former senior vp-merchandising at Dart Drug, has joined Austin Drugs as vp-marketing. Also at Austin, Gene Lerner was named vp-operations and Howard Owen vp-store planning.

Megadistributor in the making: McKesson's tab for Alco $500M

By Susan Ball

SAN FRANCISCO — McKesson Corp. has reached a definitive agreement to buy Alco Health Services Corp. for $30 a share, or roughly $500 million, the nation's largest wholesaler announced.

A tender offer for all Alco Health stock was due to start last Monday.

McKesson's bid followed a $26-per-share LBO attempt by Alco managers.

A merging of McKesson, which holds an approximate 28-percent share of the wholesale drug distribution market, and Alco Health, with about 10 percent, would represent McKesson's largest acquisition ever. Alco Health is about 50-percent owned by Alco Standard Corp.

See related story, page 3

McKesson, which posted about $5 billion in wholesale drug sales for fiscal 1988 (ended March 31), would gain about $2 billion through acquisition of Alco Health. With its just-completed acquisition of Northwestern Drug Co., McKesson would reach approximately $7.7 billion-$8 billion in sales on a *pro forma* basis for its current fiscal year, according to Marvin Krasnansky, McKesson vp-corporate relations.

The anticipated offer was characterized as "friendly" and a good match by McKesson spokesmen and industry observers, who noted that

Continued on page 146

NEWS IN BRIEF

Perry caps management realignment

PONTIAC, Mich. — Perry Drugs has named Peoples Drug veteran Richard Barker as executive vp and chief financial officer, filling a spot vacant since the resignation of Alvin Wander.

Perry has also named Michael Klein, formerly of Baxter Travenol, as president of its Health Care Division. In addition, the company has promoted vp, general counsel and secretary Bob Berlow to senior vp.

Also, Gary Allen, executive group vp for drug store operations, has been named to the additional post of corporate senior vp-store operations.

Perry recently consolidated all drug store operations under Allen, who reports to company president David Schwartz.

"These appointments take care of our senior realignment," said vp-corporate communications Berl Falbaum.

Hundreds of drug store industry executives turned out last month to honor Phil Wilber, president of Drug Emporium (third from left), at a benefit dinner for the Friends of Hebrew University. The dinner-goers included, from left, David Bloom, chairman of Shoppers Drug Mart, Dan Wassong, president of Del Laboratories, and Sol Levine, president of Revlon. David Eisenberg of Peoples presided at the event, which was held at the Marriott Marquis in New York.

Transworld housewares show July 8-12

CHICAGO — Buyers can prepare for the fall's selling season by choosing from thousands of new products offered at the 53rd Transworld Housewares and Variety Show, July 8 through 12, at the O'Hare Exposition Center.

Complete lines will be ready for viewing and purchasing, as well as for comparing products from different manufacturers. Transworld Exhibits has negotiated special hotel rates for exhibitors and buyers attending the show.

For information on buyer and exhibitor registration, contact Ray Passis, Transworld Exhibits, 1850 Oak St., Northfield, Ill. 60093, (312) 446-8434.

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Arbor Drugs recently opened a new store at 43301 Joy Road in Canton Township, Mich. On hand for the ribbon (and balloon) cutting ceremony were (from left to right) Donald Stuturd, vp of Arbor store operations, James Poole, Canton Township supervisor, and store manager Steve Johnson.

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Vol. 10, No. 14 July 4, 1988

Fred Meyer: Calif. here we come

PORTLAND, Ore. — Superstore operator Fred Meyer is expanding its territory this summer with its first entrance into California.

The 100-store chain of predominantly one-stop-shopping stores that range up to 200,000 square feet operates pharmacies in all 91 of its multiple department stores.

The entry—rumored for some months—will come in the form of 1,500-square-foot freestanding fine jewelry stores. The first will open in August in Chico; another will open in Eureka this fall.

Announcement of the entry came at the company's recent annual meeting, presided over by new chairman and ceo Fred Stevens. Stevens left K mart in April, where he was executive vp in charge of specialty stores, including Pay Less NW.

Stevens said Fred Meyer is both expanding and upgrading its stores this year, while carefully monitoring incoming competition. Discounters Target and Shopko are both entering Fred Meyer territory this year.

Sixty years of drug store retailing

This Medicare-Glaser drug store in the late 1930s displayed candy hearts next to its fragrance counter for Valentine's Day treats. The soda fountain was not too busy at this time of day, but the pharmacist stood behind the prescription counter, ready to greet customers and advise them on products which would relieve them of their symptoms.

The following item was taken verbatim from the pages of Chain Store Age Drug Edition, *in the July 1970 issue, when the first Triple-A product study was published.*

What is a Triple-A product?

Basically, it is a product that shoppers know by name, by reputation, and by package—*and purchase by price*. Thus, there is an involvement among the product, the customer, and the price of the product which usually produces a sale.

The key element in that involvement is price. Triple-A products are carried everywhere—in supermarkets, discount houses, small drug stores, chain drug stores. The chain drug merchandiser's job is to make the customer buy the product at the chain drug outlet. And he does this with price—an everyday price that shoppers know and trust, an average promotional price that is better than anyone else's, a low promotional price that will bring customers into the store.

In the end, that is the primary function of Triple-A merchandise—to draw traffic. On much of this merchandise, much of the time, margins are negligible. But all Triple-A merchandise is well known-and, by pricing it sharply, this merchandise becomes the key to pulling traffic on an ongoing basis.

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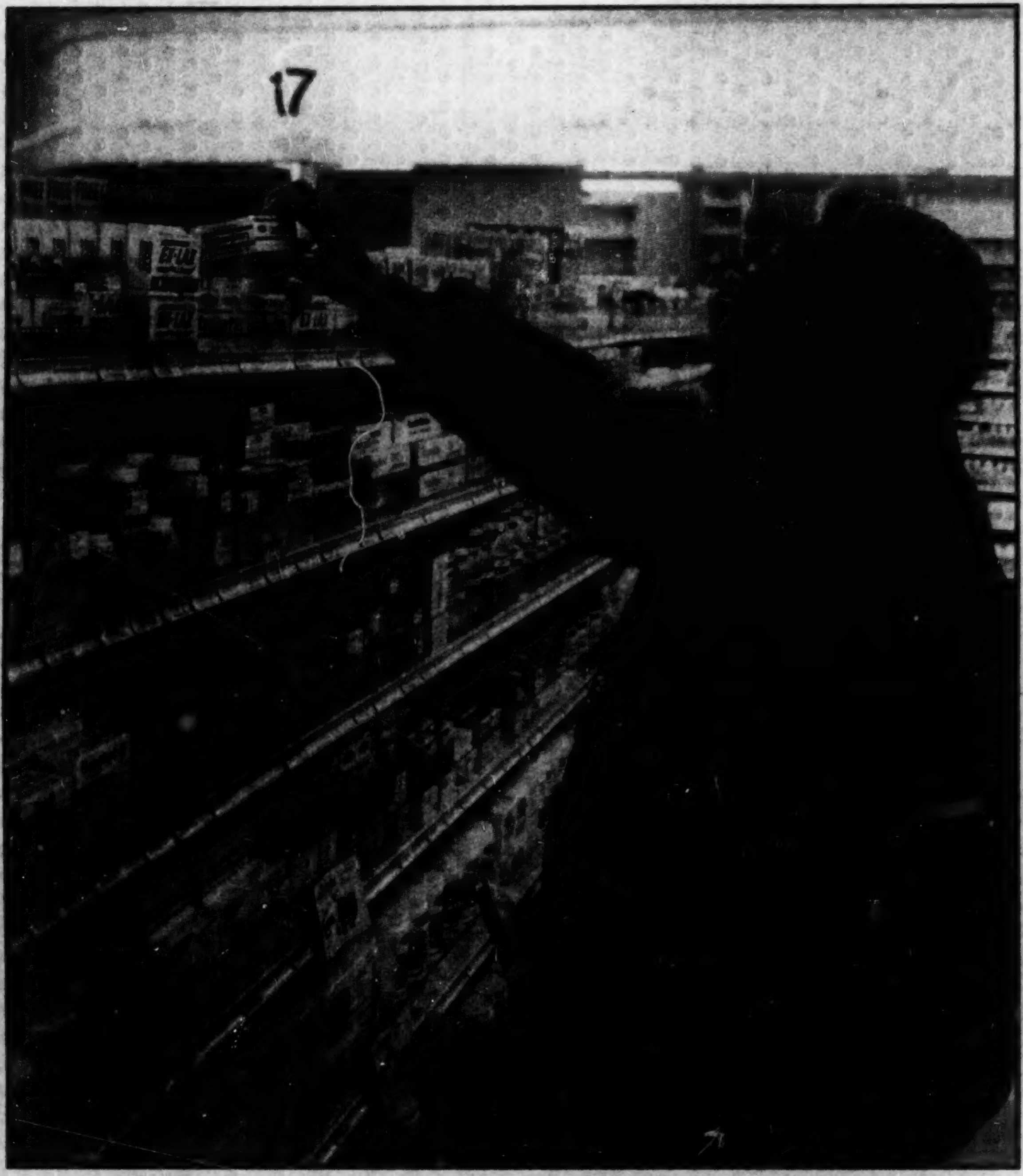
TRENDS

The *Drug Store News* Triple-A Product Study:

Brand leaders ignite key categories, spark merchandising excitement

PICTURE PICTURE
PICTURE
watches



Drug chains are at their best merchandising the products that have earned the Triple-A high performance designation, based on unit movement and dollar sales.

These are the branded items on which drug chains have lavished much merchandising and promotional attention. The Triple-A categories—among them cough-cold, lens care, film, batteries and analgesics—represent the opportunities chains use to outshine the competition by focusing on the latest new products and line extensions, the broadest assortments, and the sharpest pricing.

The Drug Store News 19th Annual Triple-A Product Study specifies these leading OTC and general merchandise products which performed the best during the past calendar year. Product movement data from major drug chains nationwide determined the rankings.

Some of the products are among the most exciting in any channel of retail trade. And as products suited to drug stores' health care environments, they've contributed mightily to retailer profits.

The condom category was one of the health-related areas that surged. Merchandisers

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Cough/cold ... 66
Laxatives ... 67
Analgesics ... 67
Baby care ... 68
Film ... 121
Household supplies ... 121
Batteries ... 122

150 Hottest Health & Beauty Aid Items

(by number of units sold)

Rank	Product name	Rank	Product name	Rank	Product name
1	FLEET ENEMA 4.5	51	Q-TIPS SWABS 170	101	CREST TARTAR CONTROL GEL PUMP 4.6
2	ADVIL TABLETS 24	52	CREST TARTAR CONTROL GEL 4.6	102	DIMETAPP EXTENTABS 12
3	TYLENOL EXTRA STRENGTH CAPLETS 50	53	CREST GEL 6.4	103	ANACIN 12
4	TYLENOL EXTRA STRENGTH TABLETS 30	54	ANACIN 50	104	VICKS VAPO-RUB 3
5	B&L SENSITIVE SOLUTION 12	55	BENADRYL REG TABLETS 24	105	REACH FULL SIZED SOFT
6	CREST TARTAR CONTROL 6.4	56	CAREFREE PANTY SHIELD 26	106	COLGATE TARTAR PASTE 6.4 OZ.
7	Q-TIPS 300	57	J&J BABY OIL 4	107	VIVARIN TABLETS 40'S
8	MENNEN SPEED STICK 2.5	58	DRIXORAL 10	108	J&J BABY POWDER 9
9	AQUA NET HAIRSPRAY SUPER 9	59	MAALOX LIQUID 12	109	ANACIN 30
10	MYLANTA LIQUID 12	60	FIXODENT 1.5	110	CENTRUM 100+30
11	PEPTO BISMOL LIQUID 8	61	BIC DISP RAZORS LADIES 5	111	GILLETTE ATRA PLUS REFILL 5
12	VISINE 0.5	62	ALKA SELTZER PLUS 12	112	AQUA NET HAIRSPRAY XSUPER 9
13	BENADRYL CAPSULES 25 MG. 24	63	GILLETTE TRAC II REFILL 10	113	TAMPAX SUPER 40
14	TAMPAX SUPER 10	64	ADVIL TABLETS 100	114	BAN ROLL-ON REGULAR 1.5
15	AOSEPT DISINFECT SOLUTION 8 OZ.	65	PREPARATION H OINTMENT 1 OZ.	115	TYLENOL DROP 15 ml.
16	ROBITUSSIN DM COUGH SYRUP 4	66	PLAYTEX DEOD TAMPON SUPER 28	116	CORRECTOL 30
17	ALKA SELTZER PLUS 20	67	VASELINE PETROLEUM JELLY 1.75	117	FLEET MINERAL OIL ENEMA 4.5
18	TYLENOL CHEWABLE TABLETS 30	68	UNISOL SALINE SOLUTION (2) 8	118	EXCEDERIN EXTRA STRENGTH TABS 30
19	BIC DISPOSABLE RAZOR 5	69	TYLENOL EXTRA STRENGTH TABLETS 100	119	CONTAC CAPLETS 10
20	NEOSPORIN OINTMENT .5	70	LISTERINE MOUTHWASH 12	120	COLGATE PUMP TARTAR GEL 4.3
21	TYLENOL EXTRA STRENGTH TABLETS 60	71	PLAX ANTI-PLAQUE RINSE 8	121	BAYER ASPIRIN 50
22	GILLETTE GOOD NEWS 5	72	EFFERDENT TABLETS 96	122	ADVIL CAPLETS 50
23	AQUA NET HAIRSPRAY SUPER UNSCENT 9	73	GILLETTE GOOD NEWS 10	123	TUSSY CREAM 2
24	TYLENOL EXTRA STRENGTH CAPLETS 24	74	ADVIL TABLETS 50	124	ROBITUSSIN DM 8
25	SUDAFED 30MG. TABLETS 24	75	PLIAGEL LENS SOLUTION .85	125	PEPTO BISMOL LIQUID ANTACID 4
26	TYLENOL EXTRA STRENGTH CAPLETS 100	76	NYQUIL 6	126	EFFERDENT TABLETS 60
27	MYLANTA II LIQUID 12	77	VICKS FORMULA 44-D 4	127	ROBITUSSIN PE 4
28	LISTERINE MOUTH WASH 32	78	ACTIFED TABLETS 24	128	LADY SPEED STICK LT. MUSK 1.5
29	TROJAN ENZ LUB 3	79	BIC DISPOSABLE RAZORS 10	129	JOHNSON DENTAL FLOSS 50 YD. WAXED
30	VASELINE LIP THERAPY	80	MENNEN SPEED STICK SPICE 2.5	130	AODISC REPLACEMENT 1
31	AFRIN NASAL SPRAY .5	81	WHITE RAIN HAIR SPRAY XTRA HOLD 7.5	131	COLGATE REG TARTAR CONTROL 4.6
32	TAMPAX SLENDER REG 10	82	ROLAIDS 12	132	MENNEN AP STICK FRESH 2.25
33	BIC DISP RAZOR SENS SKIN 5	83	GILLETTE ATRA PLUS REFILL 10	133	SUDAFED TABLETS 30 MG 48
34	DIMETAPP ELIXIR 4	84	OLD SPICE AFTERSHAVE 4.25	134	ACTIFED TABLETS 12
35	AQUA NET HAIR SPRAY UNSCENTED 9	85	CHAPSTICK RACK ASST FLAVORS 0.15	135	TRESEMMÉ HOT OIL TREATMENT 1 OZ.
36	ALKA SELTZER PLUS 36	86	ORAL B ADULT TOOTHBRUSH TABBED	136	GILLETTE MICRO TRAC 5
37	ANACIN 100	87	COMTREX TABLETS 24	137	REACH FULL SIZE FIRM
38	COLGATE TOOTHPASTE 7	88	SCOPE MOUTHWASH 24	138	CREST TARTAR CONTROL 4.6
39	CREST MINT FAMILY 6.4	89	OIL OF OLAY 4	139	LISTERINE MOUTHWASH 18
40	BENADRYL ELIXIR 4	90	AQUA FRESH 6.4	140	DIMETAPP EXTENTABS 24
41	TROJAN ENZ LUB 12	91	VASELINE PETROLEUM JELLY 3.75	141	WHITE RAIN NON-AER XHOLD 8
42	ROLAIDS 3s	92	TUMS 3s	142	EFFERDENT TABLETS 40
43	BAYER ASPIRIN 100	93	TAMPAX ORIGINAL REGULAR 40	143	VASELINE INTENSIVE CARE 15
44	COLGATE TOOTHPASTE 5	94	CHLORASEPTIC SPRAY CHERRY 6	144	Q-TIPS 54
45	GILLETTE GOOD NEWS PIVOT 5	95	LADY SPEED STICK POWDER FRESH	145	J&J BABY POWDER 14
46	HALLS COUGH DROPS MENTHOLYPTUS 9	96	ULTRA BRITE TOOTHPASTE 6	146	MASSENGILL DISP VIN/WATER XMILD 2/6
47	B&L SALINE SOLUTION 12	97	EDGE GEL SENSITIVE 7	147	WHITE RAIN SH X-BODY 18 OZ.
48	TAMPAX SUPER PLUS 10	98	CREST TARTAR CONTROL GEL 6.4	148	WHITE RAIN NON-AER UNSCENTED 8 OZ.
49	ADVIL CAPLETS 24	99	PEDIALYTE READY TO USE FRUIT 32	149	NUPRIN TABLETS 24
50	PLAX ANTI-PLAQUE RINSE 16	100	ROBITUSSIN CF 4	150	BUFFERIN 100'S

Source: Drug Store News research